02

Meeting Date: **05/07/2014**

Report Type: Staff/Discussion

Measure U Citizens Oversight Committee Report

City Hall Council Chamber
915 I Street, 1st Floor
www.CityofSacramento.org

Title: Measure U Citizens Oversight Committee Fiscal Year 2012/13 Report to City Council

Location: Citywide

Recommendation: Review and upon conclusion pass a Motion adopting the Measure U Oversight Committee Fiscal Year 2012/13 Report to City Council.

Contact: Mark Prestwich, Special Projects Manager, (916) 808-5380, Office of the City Manager

Presenter(s): Subcommittee Members Jamie Matthews and Chris Shipman

Attachments:
01 DRAFT Measure U Oversight Committee FY2012/13 Annual Report

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DRAFT MEASURE U OVERSIGHT COMMITTEE FY2012/13 ANNUAL REPORT

Jamie Matthews

Chris Shipman

5/7/2014

DRAFT

City of Sacramento Essential Services Protection Measure U "To restore and protect essential public safety services, including 9-11 response, and other essential services including park maintenance, youth/senior services, and libraries, shall the City enact a one-half cent sales tax for six years with all revenue legally required to stay in the City's General Fund, none for the State, with independent annual financial audits and citizen oversight."

MEASURE U

CITIZEN OVERSIGHT COMMITTEE

Cecily Hastings, Chair

Carlos Anguiano

Cecily Hastings

Jamie Matthews

Chris Shipman

Michelle Brattmiller

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Message from the Chair

Mayor Kevin Johnson and Members of the Sacramento City Council:

On behalf of Measure U Oversight Committee (the Committee), we are pleased to present this report to the Sacramento City Council (City Council). The City of Sacramento (the City) Essential Services Protection Measure (Measure U) was approved by voters in November 2012 and authorized the additional one-half cent transaction and use tax effective April 1, 2013. The one-half cent tax will continue for 6 years and expire on March 31, 2019.

The sales tax is targeted to restore and protect essential public safety services, including 9-11 response, and other essential services including park maintenance, youth/senior services, and library services. Additionally, Measure U provides for an independent audit annually and the establishment of an Oversight Committee to review the revenues and expenditures from the fund.

This report represents for first report of the Committee and identifies:

1. The amount of revenue generated by Measure U

2. The allocation of revenue reflecting the services and programs funded by proceeds of Measure U

3. The results of the Committee's review of the City's annual independent audit report as it pertains to use of Measure U proceeds

This report also establishes a process for FY13/14 Audit and future Measure U Reports.

Finally, the report includes the Committee recommendations, and we look forward to ensuring that Measure U goals are continually realized.

Sincerely,

Cecily Hastings, Chair

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Attachment B - Approving the FY2013/14 Budget Development Principles, Principles for the use of Measure U Resources, and the FY2012-13 Allocation of Measure U Resources

Attachment C - FY2012/13 Independent audit report

Attachment D - Approving the FY2012/13 Allocation of Measure U Resources

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BACKGROUND

On November 12, 2012, Sacramento County Voters (the Voters) approved Measure U that imposed an additional one-half (½) cent sales tax to restore and protect essential public safety services, including 9-11 response, and other essential services including park maintenance, youth/senior services, and libraries. This ½ cent sales tax is in addition to the existing combined local and state tax of 7.75%, thus bringing the tax to 8.25%. This is a temporary tax for six years that was effective April 1, 2013 and will expire on March 31, 2019.

Measure U also established a Measure U Oversight Committee (the Committee). Resolution No. 2012-344, (*Attachment A*) "Establishing the Composition of the Citizens Oversight Committee Related to Measure "U" and Defining the Scope of Responsibilities of the Committee", adopted by the City Council on October 2, 2012, establishes the responsibilities for each year in which the Measure U ½ cent transaction and sales tax is collected for the five member Committee as follows:

1. Review the City's annual independent audit report.

2. Prepare and submit a written report to the City Council at a public meeting and made available to the public recording:

   A. The amount of revenue generated by Measure U.

   B. The allocation of revenue reflecting the services and programs funded by proceeds of Measure U.

   C. The results of the Committee's review of the City's annual independent audit report as it pertains to use of Measure U proceeds.

In preparing this report, the Committee reviewed the Committee's roles and responsibilities and received training on the Brown Act by Supervising Deputy City Attorney, Jerry Hicks.

While the report covers the activities for FY2012/13, it outlines the process for review of FY2013/2014 and other future reports.

In accordance with the guidelines, the Committee also reviewed Resolution 2013-0045, (*Attachment B*) "Approving the FY2013/14 Budget Development Principles, Principles for the use of Measure U Resources, and the FY2012-13 Allocation of Measure U Resources", adopted by the City Council on February 12, 2013. Moreover, the Committee reviewed City Council's direction to staff to amend the proposed allocations, projected City sales tax forecasts, and other miscellaneous reports and analysis related to fiscal issues of the City of Sacramento.

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SUMMARY OF FINDINGS/RECOMMENDATIONS RELATED TO THE COMMITTEE RESPONSIBILITIES

Review of the City's Annual Independent Audit Report

In accordance with guidelines, the Committee reviewed the FY2012/13 Independent audit report *(Attachment C).*

Revenue Generated by Measure U

Based on our review of the City's annual independent audit report, the revenue generated by Measure U for FY2012/13 (April 1, 2013–June 30, 2013) was $4,820,000.

The City's financial department represented to the Committee that there is confusion over the applicability of the sales tax rate by non-city businesses. The City's sales tax consultant, MuniServices, is working with the California State Board of Equalization to reconcile the over/under payments received by the City. To date, the potential over/under payments received by the City for FY2012/13 is unknown.

COMMITTEE RECOMMENDATIONS:

The Committee recommends that the City remain prudent in budgeting and forecasting for potential loss of revenue based on the results of the MuniService and the State Board of Equalization's reconciliation of revenue generated by Measure U.

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Allocation of Revenue Reflecting the Services and Programs Funded by Proceeds of Measure U

BUDGET

The Measure U sales tax revenue for FY2012/13 was budgeted for $5,000,000 from April 1, 2013-June 30, 2014.

SOURCE: Resolution No. 2013-0081 (*Attachment D*) "Approving the FY2013/14 Allocation of Measure U Resources", adopted by the City Council on March 12, 2013, details the approved budget for FY2012/13 allocation of Measure U resources as follows:

Measure U Restorations for FY2012/13	FTE*	Recommended Adjustment
Fire: SAFER Grant Buyback		$ 358,000
Fire: January 2013 Brown Out Restoration (12 firefighters ($690,000) and recruit academy costs ($285,000 for equipment, recruit salaries and uniforms)	12.00	975,000
Fire: April 2013 Restoration (6 firefighters, 3 engineers, and 3 captains)	12.00	435,000
Police: Field & Operations (FY13 recruits & one-time costs)		1,500,000
Parks and Recreation: Aquatics (funding for 6 pools and 5 wading pools through 6/30/13)		250,000
Parks and Recreation: Aquatics (funding for Southside, Tahoe, and Glenn Hall pools through 6/30/13 and 1.0 FTE plant operator)	1.0	124,000
Parks and Recreation: Aquatics (funding for half-time operations of Mangan and Oki pools through 6/30/13		32,000
Parks and Recreation: Maintenance and Capital Investment (fountains, picnic tables, irrigation)		600,000
Sacramento Public Library Authority: Restoration to Maintenance of Effort		506,000
FY2012/13 Expenditures and FTE	25.00	$ 4,780,000
Measure U Reserve		220,000
FY2012/13 Measure U Revenues		$ 5,000,000

*FTE restorations reflect the addition of full-time equivalent (FTE) positions; however, funding has been prorated to reflect anticipated costs in current fiscal year (FY2012/13)

It should be noted that although the positions for the FY2012/13 amounts to 25 FTE, with corresponding Measure U budget expenses of $4,780,000, there is also the budgeted reserve of $220,000.

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SUMMARY OF FINDINGS/RECOMMENDATIONS RELATED TO THE COMMITTEE RESPONSIBILITIES

BUDGET TO ACTUAL COMPARISON

SOURCE: FY2012/13 Independent audit report provides the "Measure U Fund Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual" *(in thousands)* as follows:

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (negative)
Revenues:				
Taxes	$ -	$ 5,000	$ 4,820	$ (180)
Expenditures:				
Current:				
Police	-	1,500	274	1,226
Fire	-	1,768	1,082	686
Parks and Recreation	-	406	326	80
Library	-	506	506	-
Capital outlay	-	600	-	600
Total expenditure	-	4,780	2,188	2,592
Net change in fund balance	$ -	$ 220	$ 2,632	$ 2,412

FINANCIAL STATEMENTS

SOURCE: FY2012/13 Independent audit report provides the Measure U Fund as a major governmental fund – Special Revenue Fund. The Balance Sheet for the Measure U Fund as of June 30, 2013 included in the FY2012-13 Independent audit report *(in thousands)* is as follows:

	Measure U Fund
ASSETS	
Receivables, net:	
Taxes	$ 7,867
Total assets	$ 7,867
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	$ 11
Due to other funds	721
Deferred revenue	4,503
Total liabilities	5,235
Fund Balances:	
Committed:	
Capital Projects	600
Other programs	2,032
Total fund balances	2,632
Total liabilities and fund balance	$ 7,867

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SOURCE: FY2012/13 Independent audit report provides the Measure U Fund as a major governmental fund – Special Revenue Fund. The Statement of Revenues, Expenditures and Changes in Fund Balance for the fiscal year ended June 30, 2013 included in the FY2012-13 Independent audit report *(in thousands)* is as follows:

	Measure U Fund
Revenues:	
Taxes	$ 4,820
Total revenues	4,820
Expenditures:	
Current:	
Police	274
Fire	1,082
Parks and recreation	326
Library	506
Total expenditures	2,188
Excess of revenues over expenditures	2,632
Net changes in fund balances	2,632
Fund balances, beginning of year	-
Fund balances, end of year	$ 2,632

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NARRATIVE OF ACTUAL RESULTS AND ACCOMPLISHMENTS

SOURCE: City staff provided additional information in the report titled: "Adoption of the FY2013/14 Operating and Capital Improvement Program (CIP) Budgets." In this report, there is discussion of the 231.95 FTE recommended in FY2013/14, 25 FTE positions for FY2012/13 (1.0 in Parks-Aquatics and 24.0 in Fire) and 41 proposed FTE in future years (27.0 in Fire and 14.0 in Police.) Also, the allocation and spending of Measure U resources was summarized in a memorandum from the City's Operations Manager dated February 28, 2014.

Fire

The Fire Department was allocated $1,125,000 to restore two companies, $285,000 for a fire recruit academy and $358,000 to backfill the loss of the Staffing for Adequate Fire and Emergency Response (SAFER) grant that was scheduled to expire in May 2013.

Restore two companies - The Fire Department restored two companies for $1,004,000 through June 30, 2013. One was restored in January and the other in April 2013.

Fire recruit academy - The first recruit academy started in April 2013 and graduated in September 2013. The cost incurred through June 30, 2013 was $78,000.

SAFER grant - The Fire Department received an extension on the use of SAFER grant funds and as such, did not use the $358,000 allocated for this purpose. These funds were returned to the unallocated Measure U fund balance.

Police Department

The Police department was allocated $1.5 million to prepare for the hiring of additional police officers. These funds were intended for background investigations, police cadet salaries and equipment and vehicles for the new officers.

> The Police Department conducted expedited background investigations for potential police officer candidates for a cost of $274,000 through June 30, 2013. This resulted in 32 cadets entering in the July 2013 academy and the graduation of 23 police officers from the academy in December 2013.

Parks and Recreation Department

The Parks and Recreation department was allocated $406,000 to open six swimming pools and 5 wading pools through June 30, 2013.

> The Parks and Recreation department opened and was operating 11 pools through June 30, 2013 for a cost of $326,000 through June 30, 2013.

Library

$506,000 was also allocated to the Sacramento library to help restore the City's Parcel Tax Maintenance Effort (MOE) level.

> The City Council allocated $506,000 to the Sacramento Public Library to restore the MOE level.

Parks and Recreation Department - Capital Outlay

$600,000 one-time capital outlay funding was allocated for a water infrastructure renovation project.

> Planning was performed in FY2012/13, but implementation will occur during FY2013/14.

Youth/Senior

Youth - 1.0 FTE is noted to provide administrative and fiscal support for gang violence prevention programs.

> No surveys or outcomes were identified for this time period.

Senior - 1.0 FTE was added to restore services that support the safety and independence of older adults in the community.

> No outcomes were identified for this position.

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COMMITTEE RECOMMENDATIONS:

- Highlight the projects funded by Measure U and confirm the information is easily available on the City's website.
- Identify events made available by the voters for Measure U and ensure this fact is emphasized in publications flyers of parks/maintenance, library, youth and senior events,
- Make certain that outcome measures provided for Measure U services are published to show the community the accomplishments.
- The Committee encourages the City to plan ahead and make every effort to maintain the positions generated by Measure U once Measure U funding is no longer available.

Results of the Committee's Review of the City's Annual Independent Audit Report as it Pertains to Use of Measure U Proceeds

Included in the Chapter 3.26 in the Sacramento City Code "Transaction and Use Tax" is Chapter 3.26.140, which states that "The proceeds resulting from this this transaction and use tax shall be deposited into the City's general fund and become subject to the same independent annual audit requirements as other general fund revenue. The independent auditor's report, which shall include an accounting of the revenue received and expenditures made from the transaction and use tax, will be presented annually to the city council and made available for public review." This is also outlined in the Measure U ballot measure approved by the voters on November 12, 2012.

Based on the Committee's review of the independent auditor's report, it was found to be in accordance with the Sacramento City Code Chapter 3.26.140.

The annual independent audit report presents Measure U Fund as a major governmental fund – Special Revenue Fund.

The "Independent Auditor's Report" included in the annual independent audit report expressed an unmodified opinion (clean opinion) on the financial statements and the budgetary comparisons (including Measure U) in accordance with accounting principles generally accepted in the United States of America.

Although the annual independent audit report provides assurance that the account balances in the Measure U Fund are fairly stated in accordance with accounting principles generally accepted in the United States of America, it does not provide assurance that the Measure U proceeds were spent in conformance with the provisions listed in the Measure U ballot language. As a result, the Committee's evaluation of the actual spending of Measure U proceeds within each department is limited to the representations from City Management.

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COMMITTEE RECOMMENDATIONS

The Committee recommends that the City Council consider engaging independent auditors to conduct a performance audit for the period of April 1, 2013 through June 30, 2014 to ensure the City used the Measure U proceeds in conformance with the provisions listed in the Measure U ballot language. Government Auditing Standards defines performance audits as an "objective analysis for management and those charged with governance and oversight to use to improve program performance and operations, reduce costs, facilitate decision making by parities with responsibility to oversee or initiate corrective action, and contribute to public accountability". The Committee believes that a performance audit will provide added transparency and public accountability regarding the use of Measure U proceeds.

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SCHEDULE OF PRIOR YEAR FINDINGS/RECOMMENDATIONS RELATED TO THE COMMITTEE RESPONSIBILITES

Finding: None

Since this represents the first fiscal year (FY) of Measure U funding, for the period of April 1, 2013–June 30, 2013, there is no prior year schedule of findings.

Corrective Action: Not Applicable

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Attachment A

Establishing the Composition of the Citizens Oversight Committee Related to Measure “U” and Defining the Scope of Responsibilities of the Committee

DRAFT

RESOLUTION NO. 2012-344

Adopted by the Sacramento City Council

October 2, 2012

ESTABLISHING THE COMPOSITION OF THE CITIZENS OVERSIGHT COMMITTEE RELATED TO MEASURE "U" AND DEFINING THE SCOPE OF RESPONSIBILITY OF THE COMMITTEE

BACKGROUND

A. On July 24, 2012, the City Council unanimously approved Ordinance 2012-026, a proposal to temporarily increase the City's sales tax rate by ½ cent for six years to restore and protect City services.

B. The County of Sacramento has designated this proposal Measure "U" on the November 6, 2012 ballot.

C. Ordinance 2012-026 requires the City Council establish a Citizens Oversight Committee to review the revenues received and expenditure of funds from the tax.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1: The City Council establishes a Measure U Citizens Oversight Committee as described in Exhibit A to this resolution.

Section 2: This resolution shall take effect only upon voter approval of Measure U on the November 6, 2012 ballot.

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Exhibit A City of Sacramento Measure U Citizens Oversight Committee

Adopted by the City of Sacramento City Council on October 2, 2012 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: None.

Vice Mayor Angelique Ashby

Attest:

Shirley Concolino, City Clerk

Exhibit A

City of Sacramento
Measure U Citizens Oversight Committee

1. **Purpose**. The purpose of the Measure U Citizens Oversight Committee is to review the revenue and expenditure of funds received from the half-cent transactions and use tax on the November 6, 2012 ballot (Measure U).

2. **Committee Composition**.

   2.1 The Committee shall consist of five members and shall include the following:

   2.1.1 One member shall be a certified public accountant with audit experience.

   2.1.2 One member shall be a representative of business interests.

   2.1.3 One member shall be a representative from a neighborhood organization.

   2.1.4 One member shall be a representative of a bona-fide taxpayer organization.

   2.1.5 One member of the community at-large.

   2.2 All members shall be at least 18 years of age and reside within the City of Sacramento.

   2.3 Committee members may not be current City of Sacramento employees, City of Sacramento Council Members, or any vendor, contractor, or consultant with active contracts or agreements with the City of Sacramento.

   2.4 The City Council shall solicit members of the Citizens Oversight Committee through an open application process.

3. **Appointment**. Measure U Citizens Oversight Committee members shall be appointed as follows:

   3.1 The City's Personnel and Public Employee Committee (P&PE) shall solicit and interview prospective Measure U Citizens Oversight Committee members.

   3.2 The City's P&PE Committee shall recommend Measure U Citizens Oversight Committee members to the Mayor for appointment at a subsequent City Council meeting.

   3.3 At the subsequent City Council Meeting, the Mayor shall appoint Measure U Citizens Oversight Committee members, subject to confirmation by the City Council.

4. **Committee Responsibilities**. The Citizens Oversight Committee shall have the following responsibilities for each fiscal year in which the Measure U half-cent transactions and use tax is collected:

4.1 Review the City's annual independent audit report.

4.2 Prepare and submit a written report to be presented to the City Council at a public meeting and made available to the public recording:

4.2.1 The amount of revenue generated by Measure U.

4.2.2 The allocation of revenue reflecting the services and programs funded by proceeds of Measure U.

4.2.3 The results of the Committee's review of the City's annual independent audit report as it pertains to use of Measure U proceeds.

5. **Committee Member Terms of Office**.

5.1 Except as otherwise provided herein, each member shall serve a term of two years, commencing on July 1, 2013. Members shall be eligible to serve multiple terms. Terms shall be staggered. Of the initial appointee, two members shall serve for an initial one-year term and the remaining members for an initial two-year term. Staggering shall be determined by the Office of the City Clerk using approved procedures.

6. **Committee Operations**. Except as otherwise provided in this resolution, Chapter 2.40 of the Sacramento City Code shall apply to the Committee and its members. The Committee shall:

6.1 Elect a Chair and Vice Chair at the first meeting of the Committee. Thereafter, the Committee shall annually elect a Chair and a Vice Chair, who shall act as Chair only when the Chair is absent. In the event the Chair seat or Vice Chair seat becomes vacant, the Committee shall elect a replacement Chair or Vice Chair at the next available meeting.

6.2 Operate in accordance with the Ralph M. Brown Act.

6.3 Meet up to twice annually or as necessary to review the Annual Audit.

6.4 Receive no compensation for service on the Committee.

6.5 Receive reasonable administrative or technical assistance from the City Manager or designee, and other City offices, to fulfill its responsibilities.

7. **Vacancies**.

7.1 Committee members may be removed from the Committee only by the City Council for repeated absences at committee meetings, malfeasance, failure to meet the qualifications set forth in this resolution, or for inability or unwillingness to fulfill the duties of a Committee member.

7.2 In the event of removal, resignation, or death of a Committee member, an appointment shall be made consistent with Section 3.

8. **Committee Lifespan**. The Measure "U" Citizens Oversight Committee shall sunset June 30, 2020.

Attachment B

Approving the FY2013/14 Budget Development Principles, Principles for the use of Measure U Resources, and the FY2012-13 Allocation of Measure U Resources

DRAFT

RESOLUTION NO. 2013-XXXX

Adopted by the Sacramento City Council

APPROVING THE FY2013/14 BUDGET DEVELOPMENT PRINCIPLES, PRINCIPLES FOR THE USE OF MEASURE U RESOURCES, AND THE FY2012/13 ALLOCATION OF MEASURE U RESOURCES

BACKGROUND

A. Budget Development principles have been adopted by the Council at the beginning of the annual budget process in order to establish the framework for developing and discussing the City's proposed budget for next fiscal year.

B. Voter approval of the Essential Services Protection Measure (Measure U) in November 2012 authorized the implementation of an additional one-half cent transaction and use tax effective April 1, 2013, and the establishment of an Oversight Committee. In FY2012/13 Measure U revenues are estimated at approximately $5 million based on existing transaction volume and Board of Equalization sourcing rules. Annual revenues beginning in FY2013/14 are estimated to be approximately $27 million

C. On January 15, 2013, draft principles for the use of Measure U resources were presented to City Council. The principles have been modified to reflect Council direction.

D. Measure U resources are to be used for the restoration and protection of essential public safety and other essential City services.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1 The FY2013/14 Budget Development Principles as reflected below are approved:

- Focus reductions on achieving permanent savings in order to reduce future year deficits
- FY2013/14 actions need to be considered within a multi-year context
- New revenues will not be counted as revenues until realized
- One-time resources for one-time needs
    - Invest to increase efficiency, yield future year savings, and/or address the City's deferred maintenance backlog

- The Economic Uncertainty Reserve should be increased gradually to achieve the Council's goal of having a reserve equal to 10 percent of the General Fund revenue budget

Section 2 The Measure U Principles as reflected below are approved:

1. Resources will be allocated to the protection and restoration of City programs/services specifically enumerated in the Measure U ballot question as follows:
    a. essential public safety services including:
        i. 9-1-1 response
        ii. police officers
        iii. gang/youth violence prevention
        iv. fire protection/emergency medical response
    b. other essential services including:
        i. park maintenance
        ii. youth/senior services
        iii. libraries
2. Resources will not be allocated for new programs/services/facilities.
3. Restorations may not look/operate in the same manner as those that were eliminated in order to take advantage of effective and efficient means of program/service delivery wherever possible.
4. Resources will not be used to balance the base General Fund budget, except where funds would provide for the protection of programs/services specifically included in the Measure U ballot question as identified above.
5. Resources will not be used to increase employee compensation.
6. Resources will be set aside annually to be used for the following:
    a. Contingency funding should revenues fall short of estimates
    b. One-time funding for one-time expenses related to the delivery of the restored programs/services
    c. Funding to transition programs and services in FY2019/20 when Measure U resources will no longer be available
7. The City Manager will prepare a transition plan to scale back the use of Measure U resources over time or identify alternate sources of funding for critical programs and services.
8. Resources will be accounted for and reported separately in order to facilitate review by the Council and the Oversight Committee established by the ballot measure.

Section 3 The Director of Finance is authorized to establish a separate fund to account for Measure U resources.

Section 4 The Director of Finance is authorized to amend the FY2012/13 Approved Budget to include the following Measure U allocations for the restoration of programs and services:

Proposed Measure U Restorations for FY2012/13	Recommended Adjustments
Fire: SAFER Grant Buyback	358,000
Fire: January 2013 Brown Out Restoration	975,000
Police: Field & Operations *(FY13 recruits & one-time costs)*	1,500,000
Parks and Recreation: Aquatics *(funding for 6 pools and 5 wading pools through 6/30/13)*	250,000
Parks and Recreation: Maintenance and Capital Investment *(fountains, picnic tables, irrigation)*	850,000
General Services: Animal Control Officer *(1.0 FTE)*	30,000
Sacramento Public Library Authority: Restoration to Maintenance of Effort	506,000
FY2012/13 Expenditures	**4,469,000**
Measure U Reserve	531,000
FY2012/13 Measure U Revenues	**5,000,000**

Section 5 The Director of Human Resources is authorized to add 1.0 FTE Animal Control Officer to the Department of General Services.

Attachment C

FY2012/13 Independent audit report

DRAFT

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

CITY OF SACRAMENTO, CALIFORNIA

City of Sacramento

California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

Prepared by the Department of Finance,
Accounting Division

Leyne Milstein, Director of Finance
Dennis Kauffman, Finance Operations Manager

CITY OF SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013

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CITY OF SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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CITY OF SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013

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Introductory Section

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City of
SACRAMENTO
Office of the City Manager

John F. Shirey
City Manager

City Hall
915 I Street, Fifth Floor
Sacramento, CA 95814-2604
916-808-5704

January 22, 2014

Honorable Mayor, Members of the City Council
and Citizens of the City of Sacramento:

We are pleased to transmit the Comprehensive Annual Financial Report (CAFR) of the City of Sacramento (City) for the fiscal year ended June 30, 2013. Article IX of the City Charter, as well as federal and state law, requires that the City issue an annual report on its financial position and activity, and that the report be audited by an independent firm of certified public accountants. Macias Gini & O'Connell, LLP, a statewide certified public accounting firm, performed the audit for the fiscal year ended June 30, 2013. Their unqualified ("clean") opinion has been included as the first component of the financial section of the CAFR.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY

The City of Sacramento, capital of the State of California, was established in 1849. The sixth largest city in California based on population, Sacramento also serves as the seat of Sacramento County government. The State of California Department of Finance estimates the population on January 1, 2013 at 473,509 for the City and 1,445,806 for the County of Sacramento. Encompassing 99 square miles, Sacramento is located in the northern section of California's Central Valley at the confluence of the Sacramento and American rivers.

Sacramento is a charter city operating under a Council-Manager form of government. The City provides a full range of municipal services including police, fire, emergency medical response, water, wastewater, storm drainage, solid waste, construction and maintenance of streets and parks, community development, recreational and cultural activities, economic development, and administrative services.

REPORTING ENTITY

This CAFR presents the financial status of the City and its four component units:

Sacramento City Financing Authority (SCFA)
Sacramento City Employees' Retirement System (SCERS)
Successor Agency to the Redevelopment Agency of the City of Sacramento (RASA)
Sacramento Regional Arts Facilities Financing Authority (SRAFFA)

Component units are separate legal entities included in this report due to significant operational or financial relationships with the City.

SCFA is an entity created to issue debt to finance City projects. SCFA is reported on a blended basis as part of the primary government because its board is composed of all of the City Council members.

SCERS, a single employer pension plan for certain City employees and retirees, is reported as a fiduciary-type component unit. The SCERS pension plan was closed to new enrollment of employees in 1978.

RASA was created to serve as a custodian for the assets and to wind down the affairs of the former Redevelopment Agency of the City of Sacramento. RASA is reported as a fiduciary-type component unit.

SRAFFA was created for the purpose of financing the expansion of the H Street Theater complex and is a discretely presented component unit. Discretely presented component units are legally separate and do not function as an integral part of the primary government. As such, SRAFFA is reported in a separate column in the government-wide financial statements to differentiate its financial position and operational results from those of the City.

BUDGET INFORMATION

The City Charter requires that the City Manager submit a proposed budget to the City Council at least 60 days prior to the start of each fiscal year. Once approved by City Council, the annual budget serves as the foundation for the City's financial planning, control and reporting. Budgetary control is maintained at the department level by fund. Budgetary control for multi-year projects is maintained at the individual project level by fund. Additional budgetary information can be found in Note 1 to the financial statements and on the City of Sacramento's website.

LOCAL ECONOMY

The regional economy and employment base continues its long-term transition from a state government concentration to a diverse economic base including health care providers, high-tech manufacturers, software development companies, biotechnology and medical research laboratories, food processors, and medical equipment manufacturers. The region is also a transportation hub served by air cargo airports, an international airport, a deep water shipping port, two major interstate freeways, freight and passenger rail lines, and an extensive regional commuter bus and light-rail system. These key industries interface with Sacramento's service, hospitality, and government employers.

Like most cities in the country, Sacramento is slowly emerging from the severe national recession. As of June 2013, unemployment for the Sacramento metropolitan area and

Sacramento County was 8.4% and 8.7%, respectively, compared to 10.8% and 11.0%, respectively, as of June 30, 2012. According to the latest University of California, Los Angeles Economic Forecast, recovery in California is expected to continue in 2014.

While there is anticipation of economic recovery and growth, recent economic data indicate that economic growth in the Sacramento region will be slow, and will generally lag behind national trends and other areas of California. It is encouraging that the latest edition of the Brookings Institution MetroMonitor (September 2013) showed growth in employment in the first two quarters of 2013; however, unemployment rates remain high, consumer spending is sluggish, and home values are just recently beginning to rise.

BUDGET INITIATIVES AND LONG-TERM FINANCIAL PLANNING

Despite significant progress in realigning its revenues and expenditures, the City's financial position is not secure and more difficult decisions will need to be made. In light of continuing fiscal constraints, the voters in the City passed a six-year, one-half cent sales tax in November 2012 to provide resources to protect and restore vital City programs and services. However, given the temporary nature of these resources, we must continue to reevaluate not only how we deliver services and meet citizen needs, but also which programs and services the City can afford to deliver if expenditure growth continues to outpace that of revenue. The City's management team continues to look for ways to build a stronger, more sustainable fiscal framework and to provide the leadership and discipline needed to ensure that we are implementing long-term solutions to address the City's financial challenges.

RELEVANT FINANCIAL POLICIES

The City maintains a General Fund Economic Uncertainty Reserve (EUR) for the purpose of bridging a gap between projected revenue and expenditures during periods of significant revenue declines and/or expenditure growth and to ensure the City has adequate resources in case of an emergency or unforeseen events. The City Council's stated goal is to gradually achieve a reserve balance equal to 10% of annual General Fund revenue. The Council also directed that unbudgeted one-time general revenue received in a fiscal year, not required to balance the budget as part of the midyear review or year-end close for that fiscal year, be added to the EUR. The City Council added $4.2 million to the EUR in the midyear budget review in January 2013, and $3.3 million of unbudgeted one-time general revenue was added to the EUR during the fiscal year 2012/13 year-end close, to bring the balance in the (EUR) to $27.7 million, approximately 7.5% of estimated FY2013/14 General Fund revenues. Additional resources to fund this reserve will be identified on an ongoing basis and can include positive year-end results or other one-time resources. The EUR is reported in the CAFR as committed fund balance in the General Fund.

The City Council established the Economic Development Fund in June 2013 to be funded with property tax revenues received as a result of the dissolution of redevelopment. Staff will be returning to City Council in FY2013/14 to establish policies, principles, and a process to allocate the resources when revenues are received. The available fund balance in this new fund as of June 30, 2013 was $1.6 million.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2012. This marks the 24th consecutive year the City has received this award. The Certificate of Achievement is a prestigious national award

recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to receive this award, the City published an easily readable and efficiently organized CAFR. The report satisfied accounting principles generally accepted in the United States of America and applicable legal requirements. We believe this CAFR also meets the requirements of the program and we will be submitting it to the GFOA to determine its eligibility for the certificate.

The Department of Finance, in particular the Accounting Division, takes great pride in the preparation of the CAFR. The professionalism, commitment and effort of each employee of the Accounting Division have made this report possible. We also want to thank the other employees of the Department of Finance as well as those in other City departments who contributed to the preparation of this report. Finally, we thank the Mayor and City Council for their continuing interest and support in planning and conducting the City's financial operations in a responsible manner, consistent with the City's mission to protect, preserve and enhance the quality of life for present and future generations.

Respectfully submitted,

John F. Shirey City Manager	Leyne Milstein Director of Finance	Dennis W. Kauffman, Jr. Finance Operations Manager

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City of Sacramento Organization Chart

As of June 30, 2013

MAYOR / CITY COUNCIL

City Auditor
Jorge Oseguera

City Attorney
Jim Sanchez

- Litigation
- Public Safety and Land Use
- Advisory

City Clerk
Shirley Concolino

- Bids & Contracts
- Boards & Commissions
- Elections
- Legislative Support
- Passports
- Records

City Manager
John F. Shirey

- Government Affairs / Public Information
- Labor & Work Force Strategy
- Public Safety Accountability

City Treasurer
Russell Fehr

- Citywide Banking
- Debt Management
- Investments

OPERATIONS

Community Development
Max Fernandez
Director

- Building
- Business Compliance
- Housing & Dangerous Buildings
- Neighborhood Code Enforcement
- Planning

Convention, Culture & Leisure
Barbara Bonebrake
Director

- Capital City Golf
- Center for Sacramento History
- Crocker Art Museum
- Discovery Science & Space Center
- Fairytale Town
- Historic City Cemetery
- Metropolitan Arts Commission
- Old Sacramento Historic District
- Sacramento Convention Center
- Sacramento Marina
- Sacramento History Museum
- Sacramento Zoo

Economic Development
Jim Rinehart
Director

- District Initiatives & Citywide Strategies
- Redevelopment

Fire
Ray Jones
Chief

- Emergency Medical Services
- Fire Prevention
- Fire Suppression

Parks & Recreation
Jim Combs
Director

- Neighborhood Services & Special Events
- Park Maintenance Services
- Park Planning & Development Services
- Recreation Services

Police
Sam Somers
Chief

- Field Services
- Investigations
- Operational Services

Public Works
Jerry Way
Director

- Engineering Services
- Maintenance Services
- Parking Services
- Transportation

Utilities
Dave Brent
Director

- Business Services
- Engineering
- Wastewater
- Water

SUPPORT

Finance
Leyne Milstein
Director

- Accounting
- Budget, Policy and Strategic Planning
- Public Improvement Financing
- Revenue

General Services
Reina Schwartz
Director

- Animal Care Services
- Facilities / Real Property Management
- 311 Center
- Fleet Management
- Procurement Services
- Solid Waste

Human Resources
Geri Hamby
Director

- Benefits and Retirement
- Civil Rights
- Employment and Classification
- Labor Relations
- Risk Management

Information Technology
Gary S. Cook
Chief Information Officer

- Applications and Data Management
- Enterprise Business Systems
- Geographic Information Systems
- IT Customer Service
- Technical Support Services
- Technology Administration

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City of Sacramento
Directory of City Officials
June 30, 2013

Kevin Johnson
Mayor

Angelique Ashby
Vice Mayor, District 1

Allen Warren
Councilmember, District 2

Steve Cohn
Councilmember, District 3

Steve Hansen
Councilmember, District 4

Jay Schenirer
Councilmember, District 5

Kevin McCarty
Councilmember, District 6

Darrell Fong
Councilmember, District 7

Bonnie J. Pannell
Councilmember, District 8

John F. Shirey
City Manager

James Sanchez
City Attorney

Shirley Concolino
City Clerk

Russell Fehr
City Treasurer

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Sacramento
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

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Financial Section

Back to Table of Contents

MGO Certified Public Accountants.

Sacramento
3000 S Street, Suite 300
Sacramento, CA 95816
916.928.4600

Walnut Creek

Oakland

LA/Century City

Newport Beach

San Diego

Seattle

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sacramento, California (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sacramento, California, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and Measure U special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of funding progress for the pension plan and other post employment benefits plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Sacramento, California

January 22, 2014

City of Sacramento
Management's Discussion and Analysis
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2013

This section of the City's Comprehensive Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2013. City management recommends this information be read in conjunction with the transmittal letter located in the introductory section, and with the City's financial statements which follow this discussion.

FINANCIAL HIGHLIGHTS

- The City completed construction of the Track Relocation project at the Downtown Sacramento Railyards (Railyards) in early fiscal year 2013. The track project, which straightened the freight and passenger rail tracks and provided new passenger platforms, was Phase 1 of the larger Intermodal Transportation Facilities project that will create a regional multimodal transportation hub. Also in fiscal year 2013, the City received a federal grant for Phase 2 of the Intermodal project, the rehabilitation of Sacramento's Historic Train Depot. Design is underway with construction anticipated to begin in the spring of 2014. The City received $15 million in federal funds and will provide a match of $15 million from local transportation funds. The construction of 6th Street in the Railyards also began in 2013 with completion expected in the spring of 2014.

- In April 2013, the City began construction of the Cosumnes River Boulevard Extension and Interstate 5 Interchange Project. The project will provide arterial east-west connectivity between Highway 99, Interstate 5 and Freeport Boulevard by extending Cosumnes River Boulevard west from Franklin Boulevard for 3.2 miles to the Sacramento River. The project will include four to six traffic lanes, on-street bike lanes, and access to two future Regional Transit light rail stations for Cosumnes River College. The estimated cost of $96 million is funded through a public-private partnership including use of Measure A, federal, and state funding, as well as funds from the private developer for the Delta Shores development. Upon completion by the fall of 2015, this project will provide access for the 800-acre Delta Shores development. At build-out, the Delta Shores development will support 5,000 homes and 1.3 million square feet of retail space.

- The City's General Fund revenue, other financing sources (uses), and special items, exceeded expenditures by $18.9 million in fiscal year 2013. This result is primarily attributable to expenditure savings from vacant positions, $8.5 million of surplus assessment district redemption fund balances reported as a special item, and $2.8 million of proceeds from a capital lease for fleet vehicle replacement.

- The City's total government-wide net position, excluding the discretely presented component unit, increased $38.6 million in 2013, an increase of 1.6% from 2012. The net position of governmental activities increased $5.3 million, or 0.3%, and the net position of business-type activities increased $33.3 million, or 3.9%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's Comprehensive Annual Financial Report consists of four main components: (1) management's discussion and analysis, (2) the basic financial statements, (3) required supplementary information, and (4) combining fund financial statements. The basic financial statements include two kinds of statements that present different views of the City, the government-wide and the fund financial statements.

- The government-wide financial statements provide both long-term and short-term information about the City's overall financial status.

- The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

The basic financial statements also include notes that provide additional information essential to understanding the data contained in the government-wide and fund financial statements. The statements and notes are followed by the Schedules of Funding Progress for the City's pension and other post-employment benefit plans, which are required supplementary information. In addition to these required elements, we have included combining statements and schedules that provide details about the City's other governmental funds, the Water enterprise fund, the Wastewater enterprise fund, other enterprise funds, internal service funds, investment trust funds, and agency funds, each of which is presented in a column in the basic financial statements.

Government-wide Financial Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the City's assets and liabilities, as well as any deferred outflows or inflows. The statement of activities includes all current year revenues and expenses regardless of when cash is received or paid. These government-wide statements report the City's net position and how the City's net position has changed during the fiscal year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the City is improving or deteriorating.

The government-wide financial statements of the City are divided as follows:

- *Governmental activities* - Most of the City's basic services are included here, such as police, fire, public works, community development, parks and recreation, and general government. Taxes and state and federal grants finance most of these activities.

- *Business-type activities* - Certain services provided by the City are funded by customer fees. Among these are the City's utility services, convention center, and off-street parking facilities.

- *Component unit* - The City includes the Sacramento Regional Arts Facilities Financing Authority in its basic financial statements because, although legally separate, the City is financially accountable for it.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the City's largest funds, not the City as a whole.

The City has three types of fund financial statements:

- *Governmental funds* - Governmental funds statements tell how general government services such as police, fire and public works were financed in the short-term as well as what remains for future spending. Most of the City's basic services are included in governmental funds, which focus on (1) short-term inflows and outflows of spendable resources, and (2) the remaining year-end balances available for spending. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow the governmental funds statements.

- *Proprietary funds* - Services for which customer fees are intended to finance the costs of operations are generally reported in proprietary funds. Proprietary fund statements, like the government-wide statements, provide short-term and long-term financial information about the activities the City operates like businesses, such as utility services.

- *Fiduciary funds* - Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources belong. The City is the trustee, or *fiduciary*, for a closed pension plan. It is also responsible for other assets, reported in an investment trust fund, which because of trust agreements, can be used only for the trust beneficiaries. The City elected to serve as the successor agency for its former redevelopment agency which was dissolved by state law. The successor agency activity is accounted for in a private purpose trust fund.

  The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these resources to finance its operations.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

This section provides analysis of the government-wide financial statements including long-term and short-term information about the City's overall financial condition. The following tables address the financial results of the City as a whole.

City of Sacramento
Summary of Net Position
As of June 30, 2013 and 2012
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percent
	2013	2012	2013	2012	2013	2012	Change
Current and other assets	$ 624	$ 606	$ 556	$ 263	$ 1,180	$ 869	35.8%
Capital assets	1,723	1,728	1,028	1,023	2,751	2,751	0.0%
Total assets	2,347	2,334	1,584	1,286	3,931	3,620	8.6%
Deferred outflow of resources	10	13	0	0	10	13	-23.1%
Long-term liabilities	705	703	653	392	1,358	1,095	24.0%
Other liabilities	64	61	35	31	99	92	7.6%
Total Liabilities	769	764	688	423	1,457	1,187	22.7%
Deferred inflow of resources	9	10	0	0	9	10	-10.0%
Net position							
Net investment in capital assets	1,372	1,368	717	706	2,089	2,074	0.7%
Restricted	202	199	34	34	236	233	1.3%
Unrestricted	5	6	145	123	150	129	16.3%
Total net position	$ 1,579	$ 1,573	$ 896	$ 863	$ 2,475	$ 2,436	1.6%

Fiscal year 2012 amounts have been restated for the effects of the prior period adjustments and reclassifications described in Note 19 to the financial statements. Also, fiscal year 2012 net position amounts have been reclassified.

Analysis of net position

Total net position of the primary government increased $39 million this year. Total assets increased $311 million and total liabilities increased $270 million. The following analysis of governmental and business-type activities provides more detailed information for these changes.

Governmental activities:

Current and other assets increased $18 million primarily due to the special items described in Note 17 to the financial statements.

Deferred outflows of resources (and the corresponding liability) decreased by $3 million due to the change in the fair value of the City's hedging derivative instrument. For more information about the City's hedging derivative instrument, see Note 7 to the financial statements.

Long-term liabilities increased by $2 million due to the increase in the City's other post-employment benefits (OPEB) and capital leases, partially offset by the retirement of existing debt. More detailed information about the City's long-term liabilities is located in the Capital Asset and Debt Administration section of this MD&A and in Note 7 to the financial statements.

Deferred inflows of resources decreased $1 million due to one year of revenue recognition for the City's golf service concession arrangement. For more information about the City's service concession arrangement, see Note 18 to the financial statements.

Restricted net position, representing amounts that must be used in accordance with external restrictions, increased a total of $3 million primarily due to the receipt of cash from fiduciary funds as described in Note 17 to the financial statements, partially offset by spending development impact fees and bond proceeds.

Business-type activities:

Current and other assets of business-type activities increased $293 million primarily due to the cash proceeds received from the issuance of the 2013 Water and Wastewater revenue bonds.

Capital assets increased $5 million due to capital asset additions and transfers of $43 million, partially offset by current year depreciation of $38 million. More detailed capital asset information is located in the Capital Asset and Debt Administration section of this MD&A and in Note 4 to the financial statements.

Long-term liabilities increased $261 million due to the issuance of the 2013 Water and Wastewater revenue bonds, partially offset by retirement of existing debt. More detailed information about long-term liabilities can be found in the Capital Asset and Debt Administration section of this MD&A and in Note 7 to the financial statements.

Net investments in capital assets increased $11 million due to capital asset additions and retirement of capital-related debt, partially offset by depreciation expense.

Unrestricted net position increased by $22 million during the year because of the user fee rate increase in the Water Fund to address increasing operating costs and deteriorating infrastructure and because the user fee in the Solid Waste Fund is set to address increasing operating costs and right-sizing the fund's financial position.

City of Sacramento
Changes in Net Position
For the Fiscal Years Ended June 30, 2013 and 2012
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percent
	2013	2012	2013	2012	2013	2012	Change
Revenues							
Program revenues:							
Charges for services	$ 114,815	$ 112,115	$ 242,392	$ 232,803	$ 357,207	$ 344,918	3.6%
Operating grants & contributions	81,822	54,287	1,095	3,744	82,917	58,031	42.9%
Capital grants & contributions	69,323	112,486	7,480	5,289	76,803	117,775	-34.8%
General revenues:							
Property taxes	114,451	114,874	-	-	114,451	114,874	-0.4%
Utility users tax	59,066	58,787	-	-	59,066	58,787	0.5%
Other taxes	27,943	17,403	16,555	15,781	44,498	33,184	34.1%
Unrestricted:							
Sales taxes shared state revenue	52,300	50,683	-	-	52,300	50,683	3.2%
State of California in-lieu sales tax	16,113	14,081	-	-	16,113	14,081	14.4%
Investment earnings	10,089	10,953	1,311	2,957	11,400	13,910	-18.0%
Miscellaneous	9,749	11,005	-	-	9,749	11,005	-11.4%
Gain on disposition of capital assets	-	-	-	7	-	7	-100.0%
Total revenues	555,671	556,674	268,833	260,581	824,504	817,255	0.9%
Expenses							
General government	36,870	40,846	-	-	36,870	40,846	-9.7%
Police	157,432	153,392	-	-	157,432	153,392	2.6%
Fire	117,451	116,418	-	-	117,451	116,418	0.9%
General services	15,343	15,117	-	-	15,343	15,117	1.5%
Public works	126,636	98,384	-	-	126,636	98,384	28.7%
Economic development	10,468	9,704	-	-	10,468	9,704	7.9%
Convention, culture & leisure	17,684	19,857	-	-	17,684	19,857	-10.9%
Parks & recreation	48,457	45,448	-	-	48,457	45,448	6.6%
Community development	29,253	24,525	-	-	29,253	24,525	19.3%
Library	13,753	13,301	-	-	13,753	13,301	3.4%
Interest on long-term debt	22,420	23,583	-	-	22,420	23,583	-4.9%
Water	-	-	66,756	67,335	66,756	67,335	-0.9%
Wastewater	-	-	22,283	20,491	22,283	20,491	8.7%
Storm drainage	-	-	36,759	37,692	36,759	37,692	-2.5%
Solid waste	-	-	49,803	53,205	49,803	53,205	-6.4%
Community center	-	-	17,358	18,125	17,358	18,125	-4.2%
Parking	-	-	15,376	15,732	15,376	15,732	-2.3%
Child development	-	-	6,116	5,885	6,116	5,885	3.9%
Marina	-	-	1,853	2,008	1,853	2,008	-7.7%
Total expenses	595,767	560,575	216,304	220,473	812,071	781,048	4.0%
Revenue over (under) expenses	(40,096)	(3,901)	52,529	40,108	12,433	36,207	-65.7%
Contributions to permanent funds	1	1	-	-	1	1	0.0%
Special items	26,208	-	-	-	26,208	-	-
Transfers	19,172	22,722	(19,172)	(22,722)	-	-	-
Change in net position	5,285	18,822	33,357	17,386	38,642	36,208	6.7%
Net position, beginning of year	1,573,798	1,554,976	862,531	845,145	2,436,329	2,400,121	1.5%
Net position, end of year	$ 1,579,083	$ 1,573,798	$ 895,888	$ 862,531	$ 2,474,971	$ 2,436,329	1.6%

Fiscal year 2012 amounts have been restated for the effects of the prior period adjustments and reclassifications described in Note 19 to the financial statements. Also, certain fiscal year 2012 amounts have been reclassified to reflect the City's governmental functions.

Analysis of the changes in net position:

Total government-wide revenues of the primary government increased $7.2 million, a 0.9% increase from the prior year, and total expenses increased $31 million, a 4% increase. These changes are discussed in more detail below.

Governmental activities:

Total revenues for governmental activities decreased $1 million from the prior year. Total expenses increased $35.2 million, a 6.3% increase, and net transfers from business-type activities decreased $3.6 million, a 15.6% decrease from the prior year. Transfers primarily consist of in lieu taxes paid by the business-type activities to the General Fund and capital assets transferred from governmental activities to business-type activities. Net transfers were lower than 2012 primarily because of an increase in transferred capital assets.

Revenue

Capital grants and contributions revenue declined $43.2 million from the prior year largely due to decreased capital grant revenue from the Track Relocation project, combined with non-recurring capital contribution revenue in 2012 related to capital asset dedications and community facilities districts. Operating grants and contributions increased $27.5 million compared to the prior year due to operating grant revenue funding for components of the Track Relocation and Township 9 infrastructure projects for which the assets are owned by the railroad company and the development company, respectively.

Property tax revenue was down $0.4 million compared to 2012 due to the time lag in reassessing property values resulting from the slowly recovering Sacramento area housing market, partially offset by receipt of residual property tax revenue from former redevelopment areas. Sales tax revenue increased $1.6 million, and in-lieu sales tax revenue increased $2 million from the prior year, reflecting a slowly improving economy. Other tax revenues increased $10.5 million primarily due to the new voter-approved Measure U one-half cent sales tax, as well as increases in utility user tax, business operations tax, real property transfer tax, and transient occupancy tax.

Expenses

Most governmental functions experienced 2013 expense increases, except for general government and convention, culture, and leisure which experienced decreases of $4.0 million and $2.2 million, respectively. The functions with the largest increases, public works with $28.3 million and community development with $4.7 million, incurred significant grant-funded expenses associated with components of the Railyards Track Relocation and Township 9 infrastructure projects for which the assets are owned by the railroad company and the development company, respectively.

The general government function experienced a decrease of $4 million due to a combination of reduced General Fund expenses attributable largely to salary savings from vacant positions and a decrease in expensed capital outlay costs for maintenance and other small projects. The convention, culture and leisure function experienced a decrease in expenses, as well as related charges for services revenue, attributable to the golf service concession arrangement. See Note 19 to the financial statements for additional information.

Business-type activities:

Total revenues for business-type activities increased $8.3 million from the prior year, a 3.2% increase. Total expenses decreased $4.2 million, a 1.9% decrease, and net transfers to governmental activities decreased $3.6 million.

Revenue

Charges for services increased $9.6 million, or 4.1% primarily due to water and wastewater rate increases in the current fiscal year of 10% and 16%, respectively. These rate increases were partially offset by the elimination of commercial garbage and recycling services.

Operating grants and contributions revenue declined $2.6 million due to lower operating grant and other reimbursements in the Water, Storm Drainage, Solid Waste and Parking funds.

Capital grants and contribution revenue increased by $2.2 million mostly due to an increase in storm drainage infrastructure dedications by developers.

Expenses

Wastewater expenses increased $1.8 million mostly due to increased charges from the Fleet internal service fund for the purchase of sewer trucks and higher employee service expenses related to positions filled during 2013.

Storm Drainage expenses decreased $0.9 million primarily due to the elimination of 8 full time positions in FY13.

Solid Waste expenses decreased $3.4 million due to lower charges from the Fleet internal service fund for refuse truck replacements.

The other business-type functions experienced a combined decrease of $1.7 million due to planned budgetary cost savings efforts.

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The City uses fund accounting to assure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of City government, reporting City operations in more detail than the government-wide statements.

Governmental Funds:

The City's governmental funds provide information on near-term inflows, outflows and balances of spendable resources. Total fund balance for governmental funds increased by $46 million during fiscal year 2013. For the fiscal year ended June 30, 2013, as compared with the fiscal year ended June 30, 2012, total revenues for governmental funds increased by $23 million, total expenditures for governmental funds declined by $11 million and net other financing sources increased by $2.6 million. In addition, governmental funds recognized special items totaling $31 million. Reasons for these changes are discussed in more detail below.

General Fund

Total General Fund revenues increased $10.7 million in the current year mostly due to increases in charges for services revenues of $10 million, tax revenue increases of $2.2 million, and miscellaneous revenue increases of $1.3 million, combined with decreases in fines, forfeits and penalties of $1.9 million and intergovernmental revenue of $0.9 million. The increase in charges for services was primarily attributable to police contracted services which were accounted for in the nonmajor Operating Grants special revenue fund in the prior year. Tax revenue increases were mainly due to increases in sales and use tax of $0.8 million, real property transfer tax of $1.6 million, offset by declines in property taxes of $1.0 million and other taxes of $0.5 million. The miscellaneous revenue increase resulted primarily from a one-time settlement payment received from the County of Sacramento related to a property tax administration dispute.

Total General Fund expenditures increased by $11.7 million this year. There were expenditure increases in the Police Department and capital outlay of $8.1 million and $3.6 million, respectively. The $8.1 million increase in Police expenditures was primarily attributable to police contracted services which were accounted for in the nonmajor Operating Grants special revenue fund in the prior year. The $3.6 million increase in capital outlay was due to spending in a variety of projects and programs, the largest of which included $1.7 million for ambulance defibrillators, $0.5 million for street light copper wire repair, $0.5 million for an energy efficiency lighting retrofit project, and $0.3 million for the McKinley park playground rebuild project.

General Fund net other financing sources and uses increased $3.2 million for the fiscal year ended June 30, 2013, as compared with the fiscal year ended June 30, 2012, mainly due to the issuance of $2.8 million in long term debt related to a vehicle capital lease and a $0.4 million decrease in net interfund transfers.

The General Fund received $8.5 million as a special item in the fiscal year ended June 30, 2013 from surplus assessment district redemption fund balances. The City Council committed these resources for renovation of the Community Center Theater.

General Fund Budgetary Highlights - The City Council revised the budget throughout the fiscal year with midyear revenue and appropriation adjustments, changes made to appropriations for the use of committed fund balance, and other revenue and appropriation adjustments after the original budget was adopted.

After taking into account these adjustments, actual expenditures were $35 million lower than final budget amounts. Capital outlay expenditures were less than budgeted amounts by $19 million because of the multi-year nature of most capital projects. Unspent multi-year project budgets, as well as other unspent Council-approved program budgets, are carried over to the subsequent fiscal year. All General Fund departments reported favorable operating expenditure budget variances primarily as a result of salary savings from vacant positions.

General Fund revenues were $1.1 million lower than final budgeted amounts. Property tax and business operations tax were under budget by $1.1 million and $0.6 million, respectively, while sales and use tax and real property transfer tax collections exceeded the budgeted amounts by $0.8 million and $1.6 million, respectively. Utility user tax and transient occupancy tax were also slightly higher than the budgeted amounts. Unfavorable revenue variances in charges for services and fines, forfeits, and penalties were partially offset by revenue from the $1.9 million settlement of the property tax administration dispute with the County of Sacramento and $1.3 million of revenue from escheating unclaimed property.

Measure U Fund

In November 2012, City voters approved the City Council's proposal to increase the City's sales tax rate by one-half cent for six years effective April 1, 2013. The resources are to be used for the restoration and protection of essential public safety and other City services, including park maintenance, youth/senior services, and libraries. Revenue recognized in the Measure U Fund for the fiscal year ended June 30, 2013, totaled $4.8 million, compared to the revenue budget of $5 million. Current fiscal year expenditures, totaling $2.2 million, were for restoring fire station brown outs, retaining public safety positions, reopening swimming and wading pools, and restoring library services.

Capital Grants Fund

Capital Grant Fund revenue increased $15 million while expenditures decreased $10.7 million. This pattern is caused by the timing of grant reimbursement collections. The increase in revenue was due to changes in the following projects:

- Township 9 project - $25 million increase,
- Access Improvement at Richards Boulevard and I-5 project - $3.8 million increase,
- Del Paso Boulevard Improvement project - $2.3 million increase,
- Track Relocation project -$4.7 million decrease,
- Norwood Avenue Bridge project - $4.2 million decrease,
- 6th Street Overcrossing Roadway project - $4.2 million decrease, and
- Remaining projects – combined net $3 million decrease

The decrease in expenditures was due to changes in the following projects:

- Track Relocation project - $30 million decrease,
- Norwood Avenue Bridge project - $6.7 million decrease,
- Access Improvement at Richards Boulevard and I-5 project - $5.3 million decrease,
- Township 9 project - $25 million increase,
- 6th Street Overcrossing Roadway project - $5 million increase, and
- Cosumnes River Boulevard Extension and I-5 interchange project - $4.5 million increase.
- Remaining projects – combined net $3.2 million decrease

1997 Lease Revenue Bond Fund

The lease receivable and associated revenue, from the Sacramento Kings ownership group, for debt service on the bonds, decreased in accordance with the bond payment schedule, as described in Note 7 to the financial statements.

Other Governmental Funds

Total other governmental funds revenue did not change significantly from the prior year. Total other governmental funds expenditures decreased $2.8 million largely due to the following fluctuations:

- Contracted police services previously reported in other governmental funds reported this year in the General Fund - $9 million decrease
- Reduction in the number of school sites served by the START program - $1.4 million decrease
- Reduction in debt service expenditures from bond retirements - $3.4 million decrease
- Roadway and transit improvements in New Measure A transportation special revenue funds - $4 million increase
- The Sacramento Tourism Marketing District (STMD) was implemented July 1, 2012, replacing the Sacramento Tourism Business Improvement District (STBID). The STMD was established to provide additional funding to increase the level of sales and marketing activity by the Sacramento Convention & Visitors Bureau as it relates to Sacramento as a tourism, marketing and event destination - $2 million increase
- New construction and infrastructure improvements in special districts and financing plan funds - $3 million increase

A special item of $22.7 million was recognized in the new Economic Development special revenue fund for the Master Owner Participation Agreement (MOPA) balance, transferred from the private purpose trust fund, related to the sale of the Sacramento Sheraton Grand Hotel.

Enterprise Funds:

The City's enterprise funds provide the same type of information as the government-wide financial statements but in greater detail. Total operating revenues increased $9.6 million, and operating expenses decreased $3.2 million. Net non-operating revenues decreased $2.4 million, and capital contributions increased $5.8 million for the fiscal year ended June 30, 2013. Reasons for these changes are discussed in more detail below.

Water Fund

Water Fund operating revenue increased $8.9 million compared to the prior year because of a 10% rate increase. Operating expenses in the current year did not change significantly compared to the previous year.

Wastewater Fund

Wastewater Fund operating revenue increased $3.6 million compared to the prior year because of a 16% rate increase. Operating expenses increased $1.8 million mostly due to increased charges from the Fleet internal service fund to purchase sewer trucks and higher employee service expenses related to positions filled during 2013.

Storm Drainage Fund

Storm Drainage Fund operating revenue increased $1.1 million compared to the prior year. Operating expenses decreased by $0.9 million due to the elimination of 8 full time positions.

Solid Waste Fund

Solid Waste Fund operating revenue decreased by $3.8 million compared to the prior year due to the City's elimination of commercial garbage and recycling services and the one-time rate stabilization payment received in the prior year. Total operating expenses decreased $3.3 million, primarily due to lower charges from the Fleet internal service fund for refuse truck replacement.

Community Center Fund

Community Center Fund operating revenue and expenses did not change significantly from the prior year. Transient occupancy tax revenue increased $0.8 million due to a continuing upward trend in Sacramento area hotel room occupancy and room rates.

Other Enterprise Funds

There were no significant changes in operating revenues for the City's other enterprise funds. However, the Parking Fund experienced a $1.2 million decrease in operating expenses due to the completion of operating projects for garage lighting and maintenance in the prior year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2013, the City had invested $2.8 billion in a broad range of capital assets, including police and fire equipment, buildings, parks and park improvements, roads, bridges, and water, sewer and storm drainage transmission and distribution systems. The current year capital asset additions of $131 million were offset by current year depreciation expense of $130 million and retirements of $2 million for a net decrease in capital assets of $1 million.

City of Sacramento
Capital Assets
As of June 30, 2013 and 2012
(net of depreciation, in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Capital assets not being depreciated						
Land and improvements	$ 187	$ 186	$ 54	$ 54	$ 241	$ 240
Easements	1	1	-	-	1	1
Construction in progress	96	130	36	25	132	155
Depreciable capital assets:						
Buildings and improvements	416	380	151	157	567	537
Equipment	32	33	26	29	58	62
Software	4	2	1	1	5	3
Vehicles	53	51	-	-	53	51
Transmission and distribution systems	3	3	760	757	763	760
Road network	675	690	-	-	675	690
Street light network	132	128	-	-	132	128
Park and park improvements	124	125	-	-	124	125
Total	$ 1,723	$ 1,729	$ 1,028	$ 1,023	$ 2,751	$ 2,752

This year's major capital asset additions included:

- The Track Relocation project at the Downtown Sacramento Railyards, phase 1 of the intermodal transportation facilities project, was completed and placed into service.
- The City began construction of the Cosumnes River Boulevard Extension and Interstate 5 Interchange Project, spending $7.4 million on the project in fiscal year 2013.
- Other capital projects in progress include Railyards and Township 9 infrastructure projects, as well as the Intermodal Depot Retrofit and 6th Street Overcrossing Roadway projects at the Sacramento Railyards. Many smaller capital projects were completed during fiscal year 2013 and transferred from construction in progress to the appropriate capital asset categories.

More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

Long-term Debt

The following table summarizes the City's outstanding debt at June 30, 2013 and 2012:

City of Sacramento
Outstanding Debt
As of June 30, 2013 and 2012
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenue and other bonds, net	$ 436	$ 457	$ 542	$ 277	$ 978	$ 734
Notes payable	1	1	53	55	54	56
Capital lease obligations	9	8	9	12	18	20
Total outstanding debt	$ 446	$ 466	$ 604	$ 344	$ 1,050	$ 810

Total primary government debt outstanding as of June 30, 2013 and 2012 was $1,050 and $810 million, respectively, an increase of $240 million.

Total outstanding long-term debt for governmental activities decreased $20 million primarily due to principal payments on new and existing obligations offset slightly by a new $3 million capital lease.

Total outstanding long-term debt for business-type activities increased $260 million due to the issuance of the Water and Wastewater revenue bonds, partially offset by principal payments on existing obligations.

More detailed information about the City's total long-term liabilities is presented in Note 7 to the financial statements.

Credit rating

The following table summarizes the City's bonded debt ratings at June 30, 2013, as determined by Standard & Poor's (S & P), Moody's Investors Service, Inc. (Moody's), and Fitch Ratings (Fitch):

Bond issues:	S & P	Moody's
• 1993 Refunded Lease Revenue Bonds, Series A	A	A2
• 1993 Refunded Lease Revenue Bonds, Series B	A	A2
• 1996 Lighting and Landscaping Bonds	A	Baa1
• 1997 Lease Revenue Bonds	A	A2
• 2003 Capital Improvement Revenue Bonds	A	A2
• 2005 Refunding Revenue Bonds	A	A2
• 2006 Capital Improvement Revenue Bonds, Series A and B	A	A2
• 2006 Capital Improvement Revenue Bonds, Series C, D and E	A	A2

Bond issues:	S & P	Fitch
• Water Revenue Bonds, Series 2013	AA-	AA-
• Wastewater Revenue Bonds, Series 2013	AA-	AA

The City's issuer credit ratings of A+ with a stable outlook from S & P, and Aa2 with a stable outlook from Moody's, remains unchanged from 2012.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic Factors

Sacramento's economy has begun a slow recovery. Unemployment in the Sacramento metropolitan area has fallen from 10.8% at the end of fiscal year 2012 to 8.4% at the end of fiscal year 2013. The housing market is improving, but slowed somewhat in the first quarter of fiscal year 2014. Although revenues are stabilizing, prior commitments for labor contracts, increasing retirement contributions and rising costs for utilities have added significant costs to the City's General Fund budget.

Next Year's Budget

General Fund budget appropriations for fiscal year 2014 are $373 million, an increase of 1.4% compared to the fiscal year 2013 approved budget. An $8.9 million budget gap was closed through a combination of workforce reductions and the utilization of $4.2 million in Measure U resources to retain grant-funded police officer and firefighter positions that would have been eliminated when the grant funding expired.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances, and to demonstrate the City's accountability for the money it receives. If you have questions about this report, need additional financial information, or would like to obtain component unit financial statements, contact the City of Sacramento Department of Finance, Accounting Division, 915 I Street, Fourth Floor, Sacramento, CA, 95814, or visit the City's web page at http://www.cityofsacramento.org.

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Government-wide Financial Statements

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City of Sacramento

Statement of Net Position

June 30, 2013
(in thousands)

	Primary Government			Sacramento Regional Arts Facilities Financing Authority
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	$ 360,037	$ 160,415	$ 520,452	$ -
Securities lending assets	28	42	70	-
Receivables, net	223,748	71,882	295,630	12,383
Internal balances	6,632	(6,632)	-	-
Inventories	-	3,343	3,343	-
Prepaid items	187	25	212	-
Restricted cash and investments	28,881	321,399	350,280	1,110
Deferred charges	3,851	5,589	9,440	475
Land and other capital assets not being depreciated	283,501	90,373	373,874	-
Other capital assets, net of depreciation	1,440,046	937,441	2,377,487	-
Total assets	2,346,911	1,583,877	3,930,788	13,968
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivative instrument	10,426	-	10,426	-
LIABILITIES				
Securities lending obligations	2,001	696	2,697	-
Payables	59,857	28,249	88,106	159
Unearned revenue	2,009	5,699	7,708	-
Long-term liabilities:				
Due within one year	39,798	22,737	62,535	420
Due in more than one year	665,550	630,608	1,296,158	12,816
Total liabilities	769,215	687,989	1,457,204	13,395
DEFERRED INFLOWS OF RESOURCES				
Deferred service concession arrangement revenue	9,039	-	9,039	-
NET POSITION				
Net investment in capital assets	1,371,964	717,452	2,089,416	-
Restricted for:				
Capital projects	131,822	33,168	164,990	-
Debt service	641	-	641	573
Public works programs	16,756	-	16,756	-
Economic development programs	23,979	-	23,979	-
Other programs	21,087	349	21,436	-
Trust and endowments:				
Expendable	7,225	-	7,225	-
Nonexpendable	878	-	878	-
Unrestricted	4,731	144,919	149,650	-
Total net position	$ 1,579,083	$ 895,888	$ 2,474,971	$ 573

The notes to the financial statements are an integral part of this statement.

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City of Sacramento

Statement of Activities

For the Fiscal Year Ended June 30, 2013
(in thousands)

			Program Revenues			
Functions/Programs	**Operating Expenses**	**Indirect Expenses Allocation**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenue**
Primary government:						
Governmental activities:						
General government	$ 44,662	$ (7,792)	$ 6,924	$ 2,179	$ 69	$ (27,698)
Police	157,432	-	9,693	15,399	2,067	(130,273)
Fire	117,451	-	24,288	4,999	-	(88,164)
General services	17,587	(2,244)	3,175	891	-	(11,277)
Public works	126,636	-	28,321	40,292	58,171	148
Economic development	10,468	-	8,685	112	-	(1,671)
Convention, culture and leisure	17,684	-	7,669	444	11	(9,560)
Parks and recreation	48,457	-	10,604	7,039	6,870	(23,944)
Community development	29,253	-	15,423	5,741	2,135	(5,954)
Library	13,753	-	33	4,726	-	(8,994)
Interest on long-term debt	22,420	-	-	-	-	(22,420)
Total governmental activities	605,803	(10,036)	114,815	81,822	69,323	(329,807)
Business-type activities:						
Water	63,404	3,352	88,754	282	2,499	24,779
Wastewater	21,404	879	25,134	5	485	3,341
Storm drainage	34,991	1,768	35,682	8	4,496	3,427
Solid waste	47,585	2,218	60,295	221	-	10,713
Community center	16,407	951	7,130	-	-	(10,228)
Parking	14,591	785	18,823	3	-	3,450
Child development	6,116	-	5,426	576	-	(114)
Marina	1,770	83	1,148	-	-	(705)
Total business-type activities	206,268	10,036	242,392	1,095	7,480	34,663
Total primary government	$ 812,071	$ -	$ 357,207	$ 82,917	$ 76,803	$ (295,144)
Component unit:						
Sacramento Regional Arts Facilities Financing Authority	$ 668	$ -	$ -	$ -	$ -	$ (668)

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Statement of Activities

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Sacramento Regional Arts Facilities Financing Authority
Change in net position:				
Net (expense) revenue	$ (329,807)	$ 34,663	$ (295,144)	$ (668)
General revenues:				
Taxes:				
Property taxes	114,451	-	114,451	-
Utility user taxes	59,066	-	59,066	-
Other taxes	27,943	16,555	44,498	-
Unrestricted sales taxes shared state revenue	52,300	-	52,300	-
Unrestricted in lieu sales tax	16,113	-	16,113	-
Unrestricted investment earnings	10,089	1,311	11,400	638
Unrestricted miscellaneous	9,749	-	9,749	-
Contributions to permanent funds	1	-	1	-
Special items	26,208	-	26,208	-
Transfers	19,172	(19,172)	-	-
Total general revenues, special items, and transfers	335,092	(1,306)	333,786	638
Change in net position	5,285	33,357	38,642	(30)
Net position, beginning of year	1,692,787	862,531	2,555,318	603
Prior period adjustments	(118,989)	-	(118,989)	-
Net position, beginning of year, as restated	1,573,798	862,531	2,436,329	603
Net position, end of year	$ 1,579,083	$ 895,888	$ 2,474,971	$ 573

The notes to the financial statements are an integral part of this statement.

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Fund Financial Statements

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City of Sacramento
Governmental Funds
Balance Sheet
June 30, 2013
(in thousands)

	General Fund	Measure U Fund	Capital Grants Fund
ASSETS			
Cash and investments held by City	$ 70,746	$ -	$ -
Cash and investments held by fiscal agent	-	-	-
Securities lending assets	6	-	-
Receivables, net:			
Taxes	20,253	7,867	-
Accounts	10,457	-	2,246
Loans	32	-	-
Intergovernmental	1,940	-	26,627
Interest	260	-	-
Prepaid items	24	-	-
Restricted assets:			
Cash and investments held by City	-	-	28
Cash and investments held by fiscal agent	2,371	-	-
Total assets	$ 106,089	$ 7,867	$ 28,901
LIABILITIES AND FUND BALANCES			
Liabilities:			
Securities lending obligations	$ 417	$ -	$ -
Accounts payable	9,554	11	18,437
Accrued payroll	12,058	-	-
Accrued claims and judgements	-	-	-
Due to other funds	-	721	6,058
Deposits	53	-	-
Deferred revenue	4,048	4,503	18,118
Advances from other funds	-	-	-
Total liabilities	26,130	5,235	42,613
Fund balances:			
Nonspendable:			
Prepaid items	24	-	-
Noncurrent assets	48	-	-
Permanent fund principal	-	-	-
Restricted:			
Capital projects	-	-	4,307
Debt service	-	-	-
Public works programs	-	-	-
Economic development programs	-	-	-
Other programs	40	-	-
Committed:			
Economic uncertainty	27,765	-	-
Capital projects	21,789	600	
Debt service	-	-	-
Community center theater renovation	8,500	-	-
OPEB trust fund	2,000	-	-
Other programs	9,347	2,032	
Assigned:			
Debt service	-	-	-
Unrealized investment gains	-	-	-
Next year's budget	10,446	-	-
Other programs	-	-	-
Unassigned	-	-	(18,019)
Total fund balances (deficit)	79,959	2,632	(13,712)
Total liabilities and fund balances	$ 106,089	$ 7,867	$ 28,901

The notes to the financial statements are an integral part of this statement.

City of Sacramento
Governmental Funds
Balance Sheet
June 30, 2013
(in thousands)

	1997 Lease Revenue Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments held by City	$ 2,195	$ 203,100	$ 276,041
Cash and investments held by fiscal agent	-	302	302
Securities lending assets	-	16	22
Receivables, net:			
Taxes	-	1,658	29,778
Accounts	-	4,139	16,842
Loans	64,005	11,695	75,732
Intergovernmental	-	61,823	90,390
Interest	730	370	1,360
Prepaid items	-	44	68
Restricted assets:			
Cash and investments held by City	-	10,142	10,170
Cash and investments held by fiscal agent	-	16,340	18,711
Total assets	$ 66,930	$ 309,629	$ 519,416
LIABILITIES AND FUND BALANCES			
Liabilities:			
Securities lending obligations	$ -	$ 1,494	$ 1,911
Accounts payable	-	12,087	40,089
Accrued payroll	-	131	12,189
Accrued claims and judgements	-	1,601	1,601
Due to other funds	-	3,044	9,823
Deposits	-	2,210	2,263
Deferred revenue	64,735	62,875	154,279
Advances from other funds	-	7,332	7,332
Total liabilities	64,735	90,774	229,487
Fund balances:			
Nonspendable:			
Prepaid items	-	44	68
Noncurrent assets	-	530	578
Permanent fund principal	-	878	878
Restricted:			
Capital projects	-	130,762	135,069
Debt service	-	17,472	17,472
Public works programs	-	13,781	13,781
Economic development programs	-	23,970	23,970
Other programs	-	31,115	31,155
Committed:			
Economic uncertainty	-	-	27,765
Capital projects	-	3,066	25,455
Debt service	-	2,278	2,278
Community center theater renovation	-	-	8,500
OPEB trust fund	-	-	2,000
Other programs	-	4,234	15,613
Assigned:			
Debt service	-	1,805	1,805
Unrealized investment gains	-	100	100
Next year's budget	-	-	10,446
Other programs	2,195	1,563	3,758
Unassigned	-	(12,743)	(30,762)
Total fund balances (deficit)	2,195	218,855	289,929
Total liabilities and fund balances	$ 66,930	$ 309,629	$ 519,416

The notes to the financial statements are an integral part of this statement.

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City of Sacramento

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2013
(in thousands)

Fund balances - total governmental funds		$ 289,929
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred revenue and other resources not available to liquidate liabilities of the current period are not recognized in the funds.		152,782
Deferred charges represent costs associated with the issuance of long-term debt which are deferred and amortized over the period which the debt is outstanding. The costs are reported as expenditures of the current period in the governmental funds.		3,826
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Governmental capital assets	2,852,321	
Less: accumulated depreciation	(1,185,230)	
		1,667,091
Certain current liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of the following:		
Interest payable		(2,317)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued compensated absences	(31,228)	
Accrued claims and judgements	(1,198)	
Financing plan fee credits	(41,050)	
Pollution remediation obligations	(603)	
Revenue and other bonds payable, net	(432,899)	
Capital lease obligations payable	(9,273)	
Notes payable	(530)	
OPEB liability	(109,551)	
		(626,332)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		94,104
Net position of governmental activities		$ 1,579,083

The notes to the financial statements are an integral part of this statement.

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City of Sacramento

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2013

(in thousands)

	General Fund	Measure U Fund	Capital Grants Fund
Revenues:			
Taxes	$ 258,370	$ 4,820	$ -
Intergovernmental	11,108	-	73,423
Charges for services	60,036	-	-
Fines, forfeits and penalties	9,165	-	-
Interest, rents, and concessions	1,788	-	48
Community service fees	-	-	-
Assessment levies	33	-	-
Contributions and donations	11	-	10,450
Miscellaneous	3,440	-	-
Total revenues	343,951	4,820	83,921
Expenditures:			
Current:			
General government	19,073	-	-
Police	122,576	274	-
Fire	94,184	1,082	-
General services	9,500	-	-
Public works	6,701	-	-
Convention, culture and leisure	4,780	-	-
Economic development	2,398	-	-
Parks and recreation	14,265	326	-
Community development	19,777	-	-
Library	7,130	506	-
Utilities	152	-	-
Citywide and community support	32,945	-	-
Capital outlay	5,755	-	70,521
Debt service:			
Principal	1,822	-	-
Interest and fiscal charges	365	-	-
Total expenditures	341,423	2,188	70,521
Excess (deficiency) of revenues over (under) expenditures	2,528	2,632	13,400
Other financing sources (uses):			
Transfers in	28,541	-	-
Transfers out	(23,530)	-	(48)
Issuance of long-term debt	2,818	-	-
Total other financing sources (uses)	7,829	-	(48)
Special items	8,534	-	-
Net change in fund balances	18,891	2,632	13,352
Fund balances (deficit), beginning of year, as restated	61,068	-	(27,064)
Fund balances (deficit), end of year	$ 79,959	$ 2,632	$ (13,712)

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2013

(in thousands)

	1997 Lease Revenue Bond Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	$ -	$ 2,415	$ 265,605
Intergovernmental	-	70,025	154,556
Charges for services	-	5,208	65,244
Fines, forfeits and penalties	-	727	9,892
Interest, rents, and concessions	3,631	8,442	13,909
Community service fees	-	7,136	7,136
Assessment levies	-	37,588	37,621
Contributions and donations	1,731	2,077	14,269
Miscellaneous	-	1	3,441
Total revenues	5,362	133,619	571,673
Expenditures:			
Current:			
General government	-	3,639	22,712
Police	-	15,929	138,779
Fire	-	4,364	99,630
General services	-	806	10,306
Public works	-	28,294	34,995
Convention, culture and leisure	-	5,024	9,804
Economic development	-	7,823	10,221
Parks and recreation	-	17,666	32,257
Community development	-	3,791	23,568
Library	-	4,726	12,362
Utilities	-	827	979
Citywide and community support	-	160	33,105
Capital outlay	-	40,429	116,705
Debt service:			
Principal	1,775	15,873	19,470
Interest and fiscal charges	3,607	18,977	22,949
Total expenditures	5,382	168,328	587,842
Excess (deficiency) of revenues over (under) expenditures	(20)	(34,709)	(16,169)
Other financing sources (uses):			
Transfers in	-	26,625	55,166
Transfers out	-	(3,872)	(27,450)
Issuance of long-term debt	-	19	2,837
Total other financing sources (uses)	-	22,772	30,553
Special items	-	22,674	31,208
Net change in fund balances	(20)	10,737	45,592
Fund balances (deficit), beginning of year, as restated	2,215	208,118	244,337
Fund balances (deficit), end of year	$ 2,195	$ 218,855	$ 289,929

The notes to the financial statements are an integral part of this statement.

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City of Sacramento

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended June 30, 2013

(in thousands)

Net change in fund balances - total governmental funds		$ 45,592
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. In the statement of activities, however, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	79,944	
Depreciation expense	(80,758)	
		(814)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:		
Infrastructure dedications	2,229	
Loan receivable forgiveness	(5,000)	
		(2,771)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but deferred and amortized throughout the period during which the related debt is outstanding. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Issuance of long-term debt	(2,837)	
Principal repayments on long-term debt	19,470	
		16,633
Earned deferred revenue and other resources not available to liquidate liabilities of the current period are not recognized in governmental funds. Revenue in the statement of activities is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net decrease in revenues - unavailable revenues at the end of the year were less than beginning unavailable revenues by this amount.		(19,564)

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended June 30, 2013

(in thousands)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences	34	
Accrued claims and judgements	(11)	
Other post-employment benefits	(22,356)	
Pollution remediation	77	
Accrued interest	62	
Amortization of issuance costs	(236)	
Amortization of bond discount	(8)	
Amortization of bond premium	957	
Amortization of gain/loss on refunding	(383)	
		(21,864)
Capital assets transferred from governmental activities to business-type activities are reported as transfers in the statement of activities. The transfers are not reported in the governmental funds as the amount did not involve the transfer of financial resources.		(8,448)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet, to individual funds. The net expense of the internal service funds is reported with the governmental activities.		(3,479)
Change in net position of governmental activities		$ 5,285

The notes to the financial statements are an integral part of this statement.

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City of Sacramento

General Fund

Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) with Budget to GAAP Reconciliation

For the Fiscal Year Ended June 30, 2013

(in thousands)

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budget to GAAP Reconciliation	Actual Amounts - GAAP Basis
	Original	Final				
Revenues:						
Taxes	$ 257,420	$ 257,420	$ 258,370	$ 950	$ -	$ 258,370
Intergovernmental	10,958	11,556	11,108	(448)	-	11,108
Charges for services	58,136	61,227	60,036	(1,191)	-	60,036
Fines, forfeits and penalties	12,982	12,181	9,165	(3,016)	-	9,165
Interest, rents, and concessions	2,360	2,469	1,788	(681)	-	1,788
Assessment levies	53	53	33	(20)	-	33
Contributions and donations	-	11	11	-	-	11
Miscellaneous	124	164	3,440	3,276	-	3,440
Total revenues	342,033	345,081	343,951	(1,130)	-	343,951
Expenditures:						
Current:						
Mayor/Council	2,448	3,062	2,686	376	-	2,686
City Manager	1,520	2,177	1,428	749	(56)	1,372
City Attorney	4,149	4,237	3,302	935	(10)	3,292
City Clerk	1,096	1,498	1,439	59	(2)	1,437
City Treasurer	1,792	1,791	1,650	141	(61)	1,589
Finance	4,415	4,332	3,416	916	(67)	3,349
Information technology	3,613	3,890	3,419	471	41	3,460
Human resources	2,225	2,232	1,887	345	1	1,888
Subtotal - General government	21,258	23,219	19,227	3,992	(154)	19,073
Police	124,632	127,025	123,007	4,018	(431)	122,576
Fire	90,725	94,992	94,185	807	(1)	94,184
General services	9,324	9,541	9,486	55	14	9,500
Public works	6,779	7,537	6,719	818	(18)	6,701
Convention, culture and leisure	4,734	4,892	4,783	109	(3)	4,780
Economic development	2,993	3,201	2,381	820	17	2,398
Parks and recreation	13,370	14,387	14,272	115	(7)	14,265
Community development	19,947	20,777	19,946	831	(169)	19,777
Library	7,130	7,130	7,130	-	-	7,130
Utilities	1,254	1,253	152	1,101	-	152
Citywide and community support	38,487	36,764	32,990	3,774	(45)	32,945
Capital outlay	23,912	25,889	6,989	18,900	(1,234)	5,755
Debt service:						
Principal	1,790	1,790	1,822	(32)	-	1,822
Interest and fiscal charges	424	424	365	59	-	365
Total expenditures	366,759	378,821	343,454	35,367	(2,031)	341,423
Excess (deficiency) of revenues over (under) expenditures	(24,726)	(33,740)	497	34,237	2,031	2,528
Other financing sources (uses):						
Transfers in	26,918	26,918	28,541	1,623	-	28,541
Transfers out	(23,452)	(23,550)	(23,530)	20	-	(23,530)
Issuance of long-term debt	-	2,818	2,818	-	-	2,818
Total other financing sources (uses)	3,466	6,186	7,829	1,643	-	7,829
Special item	-	-	8,534	8,534	-	8,534
Net change in fund balance	$ (21,260)	$ (27,554)	$ 16,860	$ 44,414	$ 2,031	$ 18,891

The notes to the financial statements are an integral part of this statement.

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City of Sacramento

Measure U Fund

Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	$ -	$ 5,000	$ 4,820	$ (180)
Expenditures:				
Current:				
Police	-	1,500	274	1,226
Fire	-	1,768	1,082	686
Parks and recreation	-	406	326	80
Library	-	506	506	-
Capital outlay	-	600	-	600
Total expenditures	-	4,780	2,188	2,592
Net change in fund balance	$ -	$ 220	$ 2,632	$ 2,412

The notes to the financial statements are an integral part of this statement.

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City of Sacramento
Proprietary Funds
Statement of Net Position
June 30, 2013
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
ASSETS				
Current assets:				
Cash and investments held by City	$ 52,214	$ 17,978	$ 26,063	$ 19,396
Cash and investments held by fiscal agent	-	-	30	-
Securities lending assets	29	5	3	2
Receivables, net:				
Taxes	-	-	-	-
Accounts	19,113	11,134	6,353	12,413
Loans	1,186	242	760	2
Intergovernmental	1,245	108	1,171	837
Interest	1,356	247	236	92
Due from other funds	-	-	-	-
Inventories	2,778	83	482	-
Prepaid items	-	-	-	-
Total current assets	77,921	29,797	35,098	32,742
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	259,813	33,125	3,415	3,433
Cash and investments held by fiscal agent	7,056	2,061	765	-
Advances to other funds	-	-	-	-
Loans receivable	5,892	933	4,102	-
Deferred charges	3,575	493	31	236
Capital assets:				
Land	1,815	1,138	18,724	1,133
Buildings and improvements	37,469	15,130	8,223	31,191
Machinery and equipment	16,006	4,866	16,054	11,408
Vehicles	-	-	-	-
Transmission and distribution system	582,341	150,322	384,808	-
Construction in progress	29,164	2,602	1,047	-
Software	414	315	615	109
Easements	-	-	157	-
Less: accumulated depreciation/amortization	(202,561)	(62,702)	(139,315)	(22,549)
Total noncurrent assets	740,984	148,283	298,626	24,961
Total assets	818,905	178,080	333,724	57,703

The notes to the financial statements are an integral part of this statement.

City of Sacramento
Proprietary Funds
Statement of Net Position
June 30, 2013
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Community Center Fund	Other Enterprise Funds	Total	
ASSETS				
Current assets:				
Cash and investments held by City	$ 10,521	$ 33,829	$ 160,001	$ 83,474
Cash and investments held by fiscal agent	313	71	414	220
Securities lending assets	-	3	42	6
Receivables, net:				
Taxes	2,224	-	2,224	-
Accounts	281	1,003	50,297	329
Loans	24	85	2,299	-
Intergovernmental	-	-	3,361	-
Interest	17	138	2,086	278
Due from other funds	-	-	-	10,073
Inventories	-	-	3,343	-
Prepaid items	-	25	25	119
Total current assets	13,380	35,154	224,092	94,499
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	1,901	95	301,782	-
Cash and investments held by fiscal agent	7,945	1,790	19,617	-
Advances to other funds	-	-	-	13,714
Loans receivable	128	560	11,615	-
Deferred charges	764	490	5,589	25
Capital assets:				
Land	21,740	9,646	54,196	-
Buildings and improvements	111,201	79,496	282,710	7,402
Machinery and equipment	3,900	7,664	59,898	457
Vehicles	-	-	-	123,502
Transmission and distribution system	-	-	1,117,471	-
Construction in progress	3,203	4	36,020	-
Software	31	3	1,487	177
Easements	-	-	157	-
Less: accumulated depreciation/amortization	(55,568)	(41,430)	(524,125)	(75,082)
Total noncurrent assets	95,245	58,318	1,366,417	70,195
Total assets	108,625	93,472	1,590,509	164,694

The notes to the financial statements are an integral part of this statement.

(continued)

City of Sacramento
Proprietary Funds
Statement of Net Position
June 30, 2013
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
LIABILITIES				
Current liabilities:				
Securities lending obligations	279	85	93	2
Accounts payable	6,142	8,787	1,442	1,685
Accrued payroll	691	236	638	365
Accrued compensated absences	112	22	57	70
Due to other funds	-	-	-	-
Interest payable	3,404	77	288	143
Liability for landfill closure	-	-	-	800
Deposits	-	-	-	10
Unearned revenue	1,559	-	723	-
Accrued claims and judgements	107	52	71	75
Capital leases payable	-	137	-	2,158
Revenue and other bonds payable, net	6,356	57	539	839
Notes payable	396	720	2,230	-
Total current liabilities	19,046	10,173	6,081	6,147
Noncurrent liabilities:				
Accrued compensated absences	1,812	614	2,034	1,093
Advances from other funds	-	-	-	-
Water fee credits	1,702	-	-	-
OPEB liability	5,605	2,188	2,744	7,117
Accrued claims and judgements	-	-	-	-
Liability for landfill closure	-	-	-	19,606
Capital leases payable	-	438	-	5,660
Revenue and other bonds payable, net	394,260	32,477	4,676	20,968
Notes payable	9,410	5,314	18,544	-
Total noncurrent liabilities	412,789	41,031	27,998	54,444
Total liabilities	431,835	51,204	34,079	60,591
NET POSITION (DEFICIT)				
Net investment in capital assets	296,938	104,403	265,089	507
Restricted for:				
Capital projects	28,603	2,664	-	-
Other programs	-	-	-	349
Unrestricted	61,529	19,809	34,556	(3,744)
Total net position (deficit)	$ 387,070	$ 126,876	$ 299,645	$ (2,888)

(continued)

The notes to the financial statements are an integral part of this statement.

City of Sacramento
Proprietary Funds
Statement of Net Position
June 30, 2013
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Community Center Fund	Other Enterprise Funds	Total	
LIABILITIES				
Current liabilities:				
Securities lending obligations	64	173	696	90
Accounts payable	1,013	1,444	20,513	2,668
Accrued payroll	185	309	2,424	306
Accrued compensated absences	25	24	310	76
Due to other funds	250	-	250	-
Interest payable	463	840	5,215	8
Liability for landfill closure	-	-	800	-
Deposits	-	87	97	17
Unearned revenue	2,843	574	5,699	512
Accrued claims and judgements	25	27	357	13,340
Capital leases payable	-	94	2,389	23
Revenue and other bonds payable, net	5,302	1,964	15,057	332
Notes payable	-	478	3,824	-
Total current liabilities	10,170	6,014	57,631	17,372
Noncurrent liabilities:				
Accrued compensated absences	523	565	6,641	1,162
Advances from other funds	6,382	-	6,382	-
Water fee credits	-	-	1,702	-
OPEB liability	671	1,255	19,580	2,608
Accrued claims and judgements	-	-	-	46,567
Liability for landfill closure	-	-	19,606	-
Capital leases payable	-	979	7,077	149
Revenue and other bonds payable, net	46,081	28,828	527,290	2,732
Notes payable	-	15,444	48,712	-
Total noncurrent liabilities	53,657	47,071	636,990	53,218
Total liabilities	63,827	53,085	694,621	70,590
NET POSITION (DEFICIT)				
Net investment in capital assets	41,069	9,446	717,452	53,220
Restricted for:				
Capital projects	1,901	-	33,168	-
Other programs	-	-	349	-
Unrestricted	1,828	30,941	144,919	40,884
Total net position (deficit)	$ 44,798	$ 40,387	$ 895,888	$ 94,104

The notes to the financial statements are an integral part of this statement.

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City of Sacramento

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
Operating revenues:				
Charges for services:				
User fees and charges	$ 88,737	$ 24,063	$ 34,660	$ 59,945
Rents and concessions	-	-	3	136
Charge to other agencies for contract services	-	1,067	1,012	-
Miscellaneous	17	4	7	214
Total operating revenues	88,754	25,134	35,682	60,295
Operating expenses:				
Employee services	24,348	7,846	19,381	15,708
Services and supplies	18,543	10,070	5,219	30,673
Depreciation/amortization	16,544	4,155	11,302	1,839
Insurance premiums	-	-	-	-
Claims and judgements	237	89	103	130
Total operating expenses	59,672	22,160	36,005	48,350
Operating income (loss)	29,082	2,974	(323)	11,945
Nonoperating revenues (expenses):				
Interest and investment revenue	519	118	262	108
Transient occupancy taxes	-	-	-	-
Revenue from other agencies	399	-	8	221
Insurance and other claim recoveries	-	-	-	-
Interest expense	(6,932)	(115)	(750)	(1,438)
Amortization of deferred charges	(152)	(8)	(4)	(15)
Loan forgiveness	-	-	-	-
Gain or (loss) on disposition of capital assets	-	-	-	-
Total nonoperating revenues (expenses)	(6,166)	(5)	(484)	(1,124)
Income (loss) before contributions and transfers	22,916	2,969	(807)	10,821
Capital contributions	4,053	2,132	9,631	-
Transfers in	18	4	6	210
Transfers out	(9,901)	(2,673)	(3,947)	(6,605)
Change in net position	17,086	2,432	4,883	4,426
Total net position (deficit), beginning of year	369,984	124,444	294,762	(7,314)
Total net position (deficit), end of year	$ 387,070	$ 126,876	$ 299,645	$ (2,888)

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Community Center Fund	Other Enterprise Funds	Total	
Operating revenues:				
Charges for services:				
User fees and charges	$ 2,708	$ 24,335	$ 234,448	$ 60,783
Rents and concessions	4,376	1,057	5,572	-
Charge to other agencies for contract services	-	-	2,079	-
Miscellaneous	46	5	293	37
Total operating revenues	7,130	25,397	242,392	60,820
Operating expenses:				
Employee services	5,870	9,116	82,269	10,677
Services and supplies	6,053	8,250	78,808	26,694
Depreciation/amortization	2,408	2,501	38,749	9,280
Insurance premiums	-	-	-	2,875
Claims and judgements	7	22	588	16,533
Total operating expenses	14,338	19,889	200,414	66,059
Operating income (loss)	(7,208)	5,508	41,978	(5,239)
Nonoperating revenues (expenses):				
Interest and investment revenue	185	119	1,311	1,094
Transient occupancy taxes	16,555	-	16,555	-
Revenue from other agencies	-	579	1,207	540
Insurance and other claim recoveries	-	-	-	240
Interest expense	(2,910)	(2,461)	(14,606)	(104)
Amortization of deferred charges	(107)	(25)	(311)	(3)
Loan forgiveness	(3)	-	(3)	-
Gain or (loss) on disposition of capital assets	-	(970)	(970)	89
Total nonoperating revenues (expenses)	13,720	(2,758)	3,183	1,856
Income (loss) before contributions and transfers	6,512	2,750	45,161	(3,383)
Capital contributions	-	-	15,816	-
Transfers in	-	2	240	421
Transfers out	(1,468)	(3,266)	(27,860)	(517)
Change in net position	5,044	(514)	33,357	(3,479)
Total net position (deficit), beginning of year	39,754	40,901	862,531	97,583
Total net position (deficit), end of year	$ 44,798	$ 40,387	$ 895,888	$ 94,104

The notes to the financial statements are an integral part of this statement.

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City of Sacramento

Proprietary Funds

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
Cash flows from operating activities:				
Receipts from customers and users	$ 86,166	$ 24,228	$ 35,653	$ 60,719
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(20,131)	(9,681)	(5,384)	(33,289)
Payments to employees	(23,543)	(7,426)	(19,082)	(14,619)
Claims and judgements paid	(220)	(94)	(80)	(126)
Net cash provided by (used for) operating activities	42,272	7,027	11,107	12,685
Cash flows from noncapital financing activities:				
Transient occupancy taxes	-	-	-	-
Transfers in from other funds	18	4	6	210
Transfers out to other funds	(9,863)	(2,622)	(3,863)	(6,484)
Collections on interfund loans	-	-	-	-
Loans made to other funds	-	-	-	-
Interfund loan repayments	-	-	-	-
Intergovernmental revenue received	549	-	936	221
Claim and judgement recoveries	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(9,296)	(2,618)	(2,921)	(6,053)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(14,377)	(3,043)	(3,316)	(109)
Proceeds from sale of capital assets	-	-	-	-
Proceeds from issuance of debt	248,511	32,562	-	3,023
Payments of issuance costs	(1,988)	(501)	-	-
Principal payments on capital debt	(4,893)	(836)	(2,703)	(5,882)
Interest payments on capital debt	(7,900)	(177)	(856)	(1,449)
Transfers in from other funds	-	-	-	-
Transfers out to other funds	(38)	(51)	(83)	(121)
Capital contributions received	2,730	339	35	-
Loan repayments received	2,050	118	351	-
Net cash provided by (used for) capital and related financing activities	224,095	28,411	(6,572)	(4,538)
Cash flows from investing activities:				
Collection of interest and investment revenue	341	9	289	130
Settlements received for investments sold in prior year	645	210	288	206
Loan repayments received	-	-	-	-
Net cash provided by (used for) investing activities	986	219	577	336
Net increase (decrease) in cash and cash equivalents	258,057	33,039	2,191	2,430
Cash and cash equivalents, beginning of year	61,026	20,125	28,082	20,399
Cash and cash equivalents, end of year	$ 319,083	$ 53,164	$ 30,273	$ 22,829

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Proprietary Funds

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Community Center Fund	Other Enterprise Funds	Total	
Cash flows from operating activities:				
Receipts from customers and users	$ 7,077	$ 25,283	$ 239,126	$ -
Receipts from interfund services provided	-	-	-	121,741
Payments to suppliers	(5,982)	(7,984)	(82,451)	(91,549)
Payments to employees	(5,808)	(8,966)	(79,444)	(10,234)
Claims and judgements paid	(8)	(12)	(540)	(12,610)
Net cash provided by (used for) operating activities	(4,721)	8,321	76,691	7,348
Cash flows from noncapital financing activities:				
Transient occupancy taxes	16,558	-	16,558	-
Transfers in from other funds	-	2	240	2
Transfers out to other funds	(1,468)	(2,198)	(26,498)	(466)
Collections on interfund loans	-	-	-	43,611
Loans made to other funds	-	-	-	(9,823)
Interfund loan repayments	(250)	-	(250)	-
Intergovernmental revenue received	-	618	2,324	438
Claim and judgement recoveries	-	-	-	246
Net cash provided by (used for) noncapital financing activities	14,840	(1,578)	(7,626)	34,008
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,674)	(276)	(22,795)	(15,611)
Proceeds from sale of capital assets	-	71	71	494
Proceeds from issuance of debt	-	-	284,096	-
Payments of issuance costs	-	-	(2,489)	-
Principal payments on capital debt	(7,318)	(2,046)	(23,678)	(335)
Interest payments on capital debt	(2,971)	(1,885)	(15,238)	(116)
Transfers in from other funds	-	-	-	368
Transfers out to other funds	-	(1,068)	(1,361)	-
Capital contributions received	-	-	3,104	-
Loan repayments received	-	-	2,519	-
Net cash provided by (used for) capital and related financing activities	(11,963)	(5,204)	224,229	(15,200)
Cash flows from investing activities:				
Collection of interest and investment revenue	173	189	1,131	1,023
Settlements received for investments sold in prior year	-	317	1,666	410
Loan repayments received	22	60	82	-
Net cash provided by (used for) investing activities	195	566	2,879	1,433
Net increase (decrease) in cash and cash equivalents	(1,649)	2,105	296,173	27,589
Cash and cash equivalents, beginning of year	22,329	33,680	185,641	56,105
Cash and cash equivalents, end of year	$ 20,680	$ 35,785	$ 481,814	$ 83,694

The notes to the financial statements are an integral part of this statement.

(continued)

City of Sacramento
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments held by City	$ 52,214	$ 17,978	$ 26,063	$ 19,396
Cash and investments held by fiscal agent	-	-	30	-
Restricted cash and investments held by City	259,813	33,125	3,415	3,433
Restricted cash and investments held by fiscal agent	7,056	2,061	765	-
Total cash and cash equivalents, end of year	$ 319,083	$ 53,164	$ 30,273	$ 22,829
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	$ 29,082	$ 2,974	$ (323)	$ 11,945
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	16,544	4,155	11,302	1,839
Changes in assets and liabilities:				
Accounts receivable, net	(939)	(906)	(14)	436
Intergovernmental receivables	-	-	(323)	(12)
Inventories	1,122	14	(1)	-
Prepaid items	-	-	-	-
Deferred charges	-	-	-	-
Accounts payable	(2,710)	375	(164)	(218)
Accrued payroll	(138)	(5)	(147)	(89)
Accrued compensated absences	(128)	42	(64)	(108)
OPEB liabilities	1,071	383	555	1,286
Accrued claims and judgements	17	(5)	23	4
Liability for landfill closure	-	-	-	(2,398)
Deposits	(26)	-	-	-
Unearned revenue	(1,623)	-	263	-
Net cash provided by (used for) operating activities	$ 42,272	$ 7,027	$ 11,107	$ 12,685
Noncash investing, capital and financing activities:				
Contributions of capital assets	$ 1,152	$ 43	$ 3,125	$ -
Transfer of capital assets from governmental funds, net of depreciation	1,671	1,642	5,135	-
Note received for capital contibution	-	-	1,335	-
Retirement of capital assets	-	-	-	-
Capitalized interest	2,286	38	88	-
Amortization of bond premium, discount, and loss on refunding	(338)	28	(10)	(61)
Amortization of deferred charges	(152)	(8)	(4)	(15)
Capital asset acquisitions on accounts payable	4,560	1,062	235	-
Change in securities lending assets	(261)	(89)	(126)	(91)
Change in securities lending obligations	320	108	147	91
Loan forgiveness	-	-	-	-
Change in intergovernmental receivable due for compensated absence liability	-	-	201	-
Change in accounts receivable related to claim and judgement recoveries	-	-	-	-
Alternative fuel vehicle rebates received through reduction of purchase price	-	-	-	-
Sale of capital assets on accounts receivable	-	-	-	-
Interest accrual on loans receivable	-	-	-	-
Interest accrual on loans payable	-	-	-	-
Change in intergovernmental receivable for capital contributions	1,245	-	-	-

(continued)

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Proprietary Funds

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Community Center Fund	Other Enterprise Funds	Total	
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments held by City	$ 10,521	$ 33,829	$ 160,001	$ 83,474
Cash and investments held by fiscal agent	313	71	414	220
Restricted cash and investments held by City	1,901	95	301,782	-
Restricted cash and investments held by fiscal agent	7,945	1,790	19,617	-
Total cash and cash equivalents, end of year	$ 20,680	$ 35,785	$ 481,814	$ 83,694
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	$ (7,208)	$ 5,508	$ 41,978	$ (5,239)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	2,408	2,501	38,749	9,280
Changes in assets and liabilities:				
Accounts receivable, net	(28)	(97)	(1,548)	6
Intergovernmental receivables	-	-	(335)	-
Inventories	-	-	1,135	-
Prepaid items	-	(10)	(10)	(119)
Deferred charges	-	8	8	-
Accounts payable	71	268	(2,378)	(944)
Accrued payroll	(13)	(23)	(415)	(54)
Accrued compensated absences	(66)	(71)	(395)	(3)
OPEB liabilities	141	244	3,680	500
Accrued claims and judgements	(1)	10	48	3,923
Liability for landfill closure	-	-	(2,398)	-
Deposits	-	2	(24)	13
Unearned revenue	(25)	(19)	(1,404)	(15)
Net cash provided by (used for) operating activities	$ (4,721)	$ 8,321	$ 76,691	$ 7,348
Noncash investing, capital and financing activities:				
Contributions of capital assets	$ -	$ -	$ 4,320	$ -
Transfer of capital assets from governmental funds, net of depreciation	-	-	8,448	-
Note received for capital contibution	-	-	1,335	-
Retirement of capital assets	-	(970)	(970)	-
Capitalized interest	71	-	2,483	-
Amortization of bond premium, discount, and loss on refunding	(25)	(68)	(474)	(10)
Amortization of deferred charges	(107)	(25)	(311)	(3)
Capital asset acquisitions on accounts payable	-	415	6,272	229
Change in securities lending assets	-	(139)	(706)	(178)
Change in securities lending obligations	15	178	859	197
Loan forgiveness	(3)	-	(3)	-
Change in intergovernmental receivable due for compensated absence liability	-	-	201	-
Change in accounts receivable related to claim and judgement recoveries	-	-	-	(6)
Alternative fuel vehicle rebates received through reduction of purchase price	-	-	-	102
Sale of capital assets on accounts receivable	-	-	-	(233)
Interest accrual on loans receivable	-	(37)	(37)	-
Interest accrual on loans payable	-	500	500	-
Change in intergovernmental receivable for capital contributions	-	-	1,245	-

The notes to the financial statements are an integral part of this statement.

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City of Sacramento
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2013
(in thousands)

	Pension Trust Fund	Investment Trust Funds	Private Purpose Trust Fund	Agency Funds
ASSETS				
Cash and cash equivalents held by City	$ 20,658	$ 132,689	$ 65,566	$ 20,950
Cash and investments held by fiscal agent	-	-	3,193	16,930
Securities lending assets	8,006	6	6	-
Receivables, net:				
Taxes	-	-	-	171
Accounts	-	-	-	47
Interest	2,317	718	286	24
Intergovernmental	-	-	310	-
Investments, at fair value:				
U.S. government obligations	2,856	-	-	-
Corporate bonds	67,993	-	-	-
Equity securities	105,821	-	-	-
Exchange traded funds	52,151	-	-	-
Municipal bonds	43,117	-	-	-
Mortgage loans	4,350	-	-	-
Loans receivable	-	-	46,487	-
Capital assets:				
Land	-	-	46,948	-
Buildings and improvements	-	-	17,519	-
Less: accumulated depreciation/amortization	-	-	(2,604)	-
Total assets	307,269	133,413	177,711	38,122
LIABILITIES				
Securities lending obligations	8,643	326	437	-
Accounts payable	19	-	5,874	2
Benefits payable	2,632	-	-	-
Due to bondholders	-	-	-	38,120
Interest payable	-	-	1,167	-
OPEB liability	-	-	2,211	-
Pollution remediation obligations	-	-	1,025	-
Bonds payable	-	-	9,260	-
Notes payable	-	-	258,646	-
Total liabilities	11,294	326	278,620	38,122
NET POSITION (DEFICIT)	$ 295,975	$ 133,087	$ (100,909)	$ -

The notes to the financial statements are an integral part of this statement.

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City of Sacramento

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Pension Trust Fund	Investment Trust Funds	Private Purpose Trust Fund
Additions:			
Property taxes	$ -	$ -	$ 30,478
Contributions:			
Employer	10,573	-	-
Employees	219	-	-
Total contributions	10,792	-	-
Investment income:			
From investment activities:			
Net appreciation (depreciation) in fair value of investments	11,612	(598)	-
Interest	7,071	2,288	254
Dividends	4,798	-	-
Total investment income	23,481	1,690	254
Investment expenses:			
Banking, interest, and fiscal agent expenses	100	112	-
Professional services	1,142	-	-
Total investment expenses	1,242	112	-
Net income from investment activities	22,239	1,578	254
From securities lending activities:			
Interest	96	-	-
Net appreciation in fair value of investments	-	1	-
Total securities lending income	96	1	-
Securities lending expenses:			
Management fees	24	-	-
Total securities lending expenses	24	-	-
Net income from securities lending activities	72	1	-
Total net investment income	22,311	1,579	254
Deposits	-	73,253	-
Other	-	-	108
Total additions	33,103	74,832	30,840
Deductions:			
Benefits	33,180	-	-
Withdrawals	57	86,632	-
Project obligation payments	-	-	5,847
Interest expense	-	-	10,180
Loan forgiveness	-	-	1,490
Depreciation expense	-	-	438
Total deductions	33,237	86,632	17,955
Change in net position	(134)	(11,800)	12,885
Net position (deficit), beginning of year, as restated	296,109	144,887	(113,794)
Net position (deficit), end of year	$ 295,975	$ 133,087	$ (100,909)

The notes to the financial statements are an integral part of this statement.

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Notes to the Financial Statements

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DEFINITION OF REPORTING ENTITY

The City of Sacramento (City) was incorporated in 1849 under the laws of the State of California. Sacramento is a charter city and operates under a City Council – City Manager form of government. The City provides a full range of municipal services including police, fire, water, wastewater, storm drainage, solid waste, construction and maintenance of streets, planning and zoning, code enforcement, parks, recreation programs, and cultural activities.

These basic financial statements present the financial status of the City and its component units, which are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Component unit financial statements may be obtained from the City's Department of Finance.

Blended Component Unit

The Sacramento City Financing Authority (SCFA) is a joint exercise of powers entity created by the City and the former Redevelopment Agency of the City of Sacramento for the purpose of acting as a nominal lessor for City financing. The SCFA is administered by a governing board consisting of the members of the City Council.

Fiduciary-type Component Units

Sacramento City Employees' Retirement System (SCERS) is a single employer pension plan sponsored and administered by the City for City employees, except public safety employees, hired before January 29, 1977 and public safety employees who retired with SCERS benefits before December 30, 1989. Under provisions of the City Charter, SCERS is managed by the Administration, Investment and Fiscal Management Board (the Board), consisting of the City Manager, City Director of Finance, City Treasurer and two residents of the City appointed by the City Council. Duties of the Board include the adoption of investment standards for SCERS, the establishment of contribution rates, the administration and investment of funds, the selection of investment advisors, the crediting of interest and any action relating to the fiscal management of SCERS.

The Successor Agency to the Redevelopment Agency of the City of Sacramento (Successor Agency) was created to serve as a custodian for the assets and to wind down the affairs of the former Redevelopment Agency of the City of Sacramento. The Successor Agency is a separate public entity from the City, subject to the direction of an Oversight Board. The Oversight Board is comprised of seven member representatives from local government bodies: two appointed by the Mayor; two County of Sacramento (County) representatives; the County Superintendent of Education; the Chancellor of California Community Colleges; and the largest special district taxing entity. Based upon the nature of the Successor Agency's custodial role, it is reported in a fiduciary private-purpose trust fund.

Discretely Presented Component Unit

The Sacramento Regional Arts Facilities Financing Authority (SRAFFA) is reported in a separate column in the government-wide financial statements to emphasize its legal separation from the City. The SRAFFA is a joint powers agency between the City and County created for the purpose of financing the expansion of the theater complex located on H Street. The authority is governed by a board of five directors whose members are three designees of the City Council and two designees of the County Board of Supervisors. The members of the board serve at the pleasure of their respective legislative bodies and may be removed at will. Upon future dissolution, any remaining assets revert to the City and County of Sacramento in such manner as determined by the board. The SRAFFA is presented as a business-type activity in the component unit column of the government-wide statements.

ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

New Pronouncements

Effective July 1, 2012, the City implemented GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements.* Statement No. 60 addresses accounting and financial reporting issues related to service concession arrangement (SCAs), which are a type of public-private or public-public partnership. See Note 18 for more information.

Effective July 1, 2012, the City implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34.* Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The City reviewed the modified requirements and determined no changes are required in reporting its component units in the financial statements.

Effective July 1, 2012, the City implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncement.* The City has determined that there was no impact on the financial statements, except for the deletion of the disclosure of the City's election not to apply FASB statements subsequent to November 30, 1989.

The City is currently analyzing its accounting and financial reporting practices to determine the potential impact on the financial statements of the following GASB Statements:

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities.* The objective of this Statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The provisions of this Statement are effective for the City's fiscal year ended June 30, 2014.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62.* The objective of this Statement is to resolve conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The provisions of this Statement are effective for the City's fiscal year ended June 30, 2014.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25.* The objective of this Statement is to improve financial reporting by state and local government for pension plans. This Statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which information is required to be presented. The City has not determined what impact this pronouncement will have on the financial statements. The provisions of this Statement are effective for the City's fiscal year ended June 30, 2014.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.* The objective of this Statement is to improve accounting and financial reporting by state and local government for pensions. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. The City will be required to recognize a liability equal to the net pension liability in its financial statements prepared using the economic resources measurement focus and accrual basis of accounting. The City has not determined what impact this pronouncement will have on the financial statements. The provisions of this Statement are effective for the City's fiscal year ended June 30, 2015.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

New Pronouncements (Continued)

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations.* The objective of this Statement is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The City has not determined what impact this pronouncement will have on the financial statements. The provisions of this Statement are effective for the City's fiscal year ended June 30, 2015.

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees.* The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The City has not determined what impact this pronouncement will have on the financial statements. The provisions of this Statement are effective for the City's fiscal year ended June 30, 2014.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The City has not determined what impact this pronouncement will have on the financial statements. The provisions of this Statement are effective for the City's fiscal year ended June 30, 2015.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are allocated to expenses and capital assets of governmental and business-type activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been removed from the government-wide financial statements. Internal service fund activity has been eliminated from the statement of activities. The effect of interfund services provided and used between functions, such as the sale of water from the Water Fund to the General Fund, has not been eliminated in the statement of activities. The City's payments in lieu of taxes from its enterprise funds to the General Fund are reported as interfund transfers.

The accounts of the City are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary trust fund financial statements. Agency funds, included in the fiduciary fund financial statements, are also reported using the accrual basis of accounting, however they are not reported using a measurement focus because only assets and liabilities are presented. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, utility users taxes, intergovernmental revenue, special assessments, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund and accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Measure U Fund was established to account for the temporary half-cent sales tax approved by voters on November 6, 2012.

The Capital Grants Fund is used to account for capital improvement program projects that are funded by parties outside of the City including the State and Federal governments.

The 1997 Lease Revenue Bond Fund accounts for the loan receivable, debt service activities and related transactions concerning the acquisition and lease back of a sports and entertainment arena.

The City reports the following major enterprise funds:

The Water Fund accounts for the operation and maintenance of the City's water treatment and water transmission and distribution systems.

The Wastewater Fund accounts for the operation and maintenance of the City's wastewater system.

The Storm Drainage Fund accounts for the operation and maintenance of the City's surface drainage system.

The Solid Waste Fund accounts for the collection and disposal of refuse throughout the City and for landfill closure.

The Community Center Fund accounts for the operation and maintenance of the City's Community Center, including the theater and exhibit halls.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the City reports the following fund types:

Internal service funds account for the financing of fleet and risk management services to other departments on a cost reimbursement basis.

The Pension Trust Fund accounts for the assets held on behalf of the Sacramento City Employees' Retirement System (SCERS) for pension benefit payments to qualified employees.

Investment trust funds account for the net assets held on behalf of investors, in the City's investment pool and individual accounts, who are not part of the City's financial reporting entity.

The Private Purpose Trust Fund accounts for the assets received by the Successor Agency from the City's former redevelopment agency in order to liquidate its enforceable obligations, pursuant to Assembly Bill X1 26 which dissolved redevelopment agencies in California.

Agency funds account for assets held by the City as an agent for bonded assessment and community facilities districts.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, including fees, fines and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Program revenues also include earnings on investments that are legally restricted for a specific program. Internally dedicated resources are reported as general revenues rather than as program revenue. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. When expenditures are incurred with unrestricted resources, the City's policy is to first use committed fund balance, then assigned fund balance, and lastly unassigned fund balance amounts.

Budget Information

The City Manager submits a proposed budget to the City Council no later than 60 days prior to the commencement of the fiscal year. The City Council holds public hearings, modifies the City Manager's recommendations, and adopts a final budget in June. The budget adoption resolution specifies that budgets will be controlled at the department level (e.g., police, fire, public works, parks and recreation etc.) by fund.

Annual budgets are adopted for the General Fund, Measure U Fund, the City/County Office of Metropolitan Water Planning (CCOMWP) Fund, the Special Districts Fund, and the Cal EPA Fund, as well as certain activities within the Transportation and Development Fund, the Culture and Leisure Fund, and the Parks and Recreation Fund. Annual budgets are also adopted for the enterprise and internal service funds, although they are not legally required. Multi-year project-length budgets are adopted for the General Fund, the Capital Grants fund, other capital projects funds, and the Economic Development and Operating Grants special revenue funds, where appropriations remain authorized for each project until closed, irrespective of fiscal year. Expenditures are appropriated on a modified accrual basis, except that commitments related to purchase orders are treated as expenditures in the year of commitment.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Budget Information (Continued)

Budgets are modified throughout the year when the tax base changes, fees are modified, new revenue sources are identified, or programs are changed. The City Manager is authorized to administratively amend the budget during the year to transfer resources within a department, and to transfer resources between departments up to $100 without City Council approval. All other appropriation adjustments during the year require City Council approval. Significant appropriation adjustments were not required during the year ended June 30, 2013. Unencumbered annual budget appropriations lapse at fiscal year-end. The City honors contracts represented by year-end encumbrances and the appropriations carried over provide authority to complete these transactions in future years. Multi-year project-length budget appropriations are automatically carried over into the next fiscal year.

Financial Statement Elements

Investments - City investments are recorded at fair value, except real estate mortgages, which are recorded at cost. The estimated fair value of all investments is the quoted market price. Certain bond covenants require that interest earned on assessment district construction proceeds, which are reported in other governmental funds, be credited to reserve accounts, which are reported in Agency funds. Interest earned on all other cash and investments is credited to the fund which holds the investment.

Property Taxes - Article XIII of the California Constitution (Proposition 13) limits ad valorem taxes on real property to one percent of value plus taxes necessary to pay indebtedness approved by voters prior to July 1, 1978. The Article also established the 1975/76 assessed valuation as the base and limits annual increases to the cost of living, not to exceed two percent, for each year thereafter. Property may also be reassessed to full market value after a sale, transfer of ownership, or completion of new construction. The State is prohibited under the Article from imposing new ad valorem, sales, or transactions taxes on real property. Local governments may impose special taxes (except on real property) with the approval of two-thirds of the qualified electors.

Property taxes are levied annually by the Sacramento County Assessor on July 1 and become a lien on property on the preceding January 1. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively.

The City participates in an alternative method of distribution of property tax levies and assessments known as the "Teeter Plan". The State Revenue and Taxation Code allow counties to distribute secured real property, assessment and supplemental property taxes on an accrual basis resulting in full payment to cities each fiscal year. Any subsequent delinquent payments and related penalties and interest during a fiscal year will revert to Sacramento County. The Teeter Plan payment, which includes 95% of the outstanding accumulated delinquency, is included in property tax revenue. Under the Teeter Plan code, 5% of the delinquency must remain with the County as a reserve for Teeter Plan funding.

Receivables and Payables – Property taxes, sales taxes, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year end.

Federal and State grants are considered receivable and accrued as revenue when all eligibility requirements have been met under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and available.

Long-term loans receivable reported in the governmental fund statements are recorded with offsetting deferred revenue or nonspendable fund balance for noncurrent assets because the resources cannot be spent. Long-term loans receivable reported in the proprietary fund statements, as well as long-term loans reported in the government-wide statements, are not offset by deferred revenue. Unbilled utility revenue earned is recognized as revenue and accounts receivable in the enterprise funds.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Elements (Continued)

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Inventories and Prepaid Items - Inventories in the proprietary funds are stated at the lower of average cost or market and consist of expendable materials and supplies.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets - Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the statements of net position and balance sheets because their use is limited by applicable bond covenants. Unspent developer impact fees are classified as restricted assets on the statements of net position for the Water and Wastewater enterprise funds.

Capital Assets - Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are recorded at the lower of actual historical cost or fair value (as of the date donated for contributed assets) although for certain older assets estimated historical costs are used.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	Primarily 15 to 70 years
Transmission and distribution systems	Primarily 15 to 100 years
Machinery, vehicles and equipment	Primarily 5 to 30 years
Software	Primarily 5 to 20 years
Roadway network	Primarily 20 to 70 years
Street light network	Primarily 40 to 50 years
Parks and park improvements	Primarily 15 to 30 years

It is the policy of the City to capitalize all land, buildings and improvements, equipment, and infrastructure assets, except assets costing less than $20, unless a federal funding source is utilized. The City also capitalizes all intangible capital assets, primarily easements and software, except assets costing less than $100, unless a federal funding source is utilized. All capital assets in excess of $5 financed by a federal funding source are capitalized. Costs of capital assets sold or retired (and related amounts of accumulated depreciation/amortization) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement of the related proprietary fund, governmental activities, and business-type activities. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale.

Major outlays for capital assets are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. When the asset constructed is financed by a specific bond issue, the interest included is net of interest earned on the invested bond proceeds over the same period. The total interest expense incurred by the City during the current fiscal year was $40,058. Of this amount, $2,483, consisting of interest incurred of $3,032 net of interest earned of $549, was included as part of the cost of capital assets under construction.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Elements (Continued)

The Crocker Art Museum's collection of works of art, held in trust by the City, has not been reported in these financial statements. The City has elected not to report the collection because it meets the three criteria for waiving capitalization: the collection is held for reasons other than financial gain; the collection is protected, kept unencumbered, cared for, and preserved; and the collection is subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for the collection.

Compensated Absences - Benefit qualified employees accrue vacation, sick, and holiday benefits. A full time employee may accumulate up to sixty days of vacation. Sick leave vests and may be accumulated until retirement. An employee with sixty or more days of accumulated sick leave at the end of a calendar year may elect to receive a 25% payment of any unused sick leave earned in the previous calendar year. The amount of sick leave paid is deducted from the employee's total accumulation. Upon retirement, employees with a minimum of 20 years of City service, excluding SCERS employees, have the option of converting their sick leave accumulation into CalPERS service credit hours, or receiving a cash payment of one-third of the accumulated sick leave. Employees who leave the City and are not retiring forfeit any remaining sick leave.

Employees receive 14 holidays per calendar year. Employees accrue all or a portion of these 14 days during the year depending on their job classification. Classifications that accrue all 14 days get paid in cash throughout the year whenever their holiday leave balances exceed the 14 day total. All other employees accrue one or two days of "floating" holiday time, depending on the bargaining unit, throughout the year in conjunction with their remaining twelve holidays. Employees who accrue "floating" holiday time get paid annually in January for any calendar year-end balance greater than eight hours.

All hourly employees have the option of being compensated for their overtime pay with compensatory time off (CTO). Depending on the employee's CTO plan, the employee may accrue a maximum of 80, 120 or 160 hours of CTO. The employee's applicable labor agreement or the City Council's resolution for unrepresented employees determines the maximum accruable number of CTO hours.

All compensated absences are accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Revenue / Unearned Revenue - Deferred revenue in governmental funds arise when potential revenue does not meet the "available" criteria for recognition in the current period. Deferred revenue (unearned revenue in accrual based statements) also arises when resources are received by the City before it has a legal claim to them (i.e., when grant monies are received prior to the incurrence of qualifying expenditures).

Long-term Obligations - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses on debt refunding are deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt using the straight-line method. Bonds payable are reported net of bond premium or discount and net of gains and losses on debt refunding. Bond issuance costs are reported as deferred charges and amortized over the life of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Elements (Continued)

Fund Balance - In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Amounts that are restricted to specific purposes, either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation, are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through a resolution are classified as committed fund balances. Amounts that are constrained by the City Council's intent to be used for specific purposes through a resolution, but are neither restricted nor committed, are classified as assigned fund balances. Negative fund balance in governmental funds, after determining the fund balance classifications described above, is reported as unassigned fund balance.

The City's Economic Uncertainty Reserve (Reserve) is a stabilization arrangement in the General Fund reported as committed fund balance. The City Council reaffirmed its policy goal for the Reserve in its resolution number 2013-0198 adopted with the fiscal year 2013/14 annual budget. The adopted Reserve goal is to achieve a reserve equal to 10% of annual General Fund revenue. The City Manager may recommend a release from the Reserve when the gap between projected revenue and expenditures is greater than $1,000 in the proposed budget. Additions and releases from the Reserve must be approved by City Council by resolution.

Statement of Cash Flows - For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash. The City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 2 – **CASH AND INVESTMENTS**

The following is a summary of cash and investments at June 30, 2013:

	Government-wide Statement of Net Position			
	Primary Government	Component Units	Fiduciary Funds Statement of Net Position	Total
Cash and investments	$ 520,452	$ -	$ 536,274	$ 1,056,726
Securities lending assets	70	-	8,018	8,088
Restricted cash and investments	350,280	1,110	-	351,390
Total	$ 870,802	$ 1,110	$ 544,292	$ 1,416,204

Under the authority of the Sacramento City Charter, the Sacramento City Council, by Resolution 2012-317, has delegated its investment authority to the City Treasurer. The City Treasurer manages the City's investments in accordance with the City's Investment Policy, which was last reaffirmed by the City Council on September 4, 2012. The City's investment policy requires compliance with the California Government Code for investments of public funds. The City's investment policy also provides limits on rate anticipation, arbitrage, and other swap investments.

SCERS pension trust fund investments are managed pursuant to investment standards adopted by the SCERS Administration, Investment, and Fiscal Management Board. Investment standards adopted by the SCERS Board authorize the City Treasurer to invest in debt securities, equity securities, promissory notes, real estate mortgages or other securities and investments deemed to be prudent by the Board. Other securities and investments cannot exceed 25% of the total assets (cost basis). In addition, promissory notes (cost basis) cannot exceed 25% of the investment portfolio, while real estate mortgages (cost basis) cannot exceed 10% of total assets of SCERS. Investments of other trust funds are managed pursuant to City Council ordinances and authority granted by various boards and commissions.

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

The table below identifies the investment types that are authorized for public funds of the City by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating
Local agency bonds	5 years*	None	None	None
U.S. Treasury obligations	5 years*	None	None	None
U.S. agency securities	5 years*	None	None	None
Bankers acceptance	180 days	40%	30%	None
Commerical paper	270 days	25%	10%	A1/P1
Negotiable certificates of deposit	5 years	30%	None	None
Repurchase agreements	1 year	None	None	None
Reverse repurchase and securities lending agreements	92 days	20% of base value	None	None
Medium term notes (bank notes and corporate bonds)	5 years*	30%	None	A
Mutual funds	N/A	20%	10%	None
Money market mutual funds	N/A	20%	10%	None
Collateralized bank deposits	5 years	None	None	None
Mortgage pass-through securities	5 years	20%	None	AA
Time deposits	5 years	None	None	None
Joint Powers Authority pool	N/A	None	None	None
County pooled investment	N/A	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None	None

*The City investment policy allows these investments to have maximum maturities of 5 years, plus not more than 30 days. Such approved maturity extensions are authorized by California Government Code section 53601.

The table above does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, or investments held by the SCERS pension trust fund or other trust funds.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy limits interest rate risk by requiring compliance with the California Government Code for investments of public funds, as described in detail above. One of the ways that the City of Sacramento manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity. The remaining maturity of the City's investments included in the table below is based on the stated maturity dates of the individual investments, except in the case of variable rate investments where the maturity date below is the next reset date. Variable rate securities are investments with terms that provide for the adjustment of interest rates on specified dates based on predefined mathematical formulas. The fair value of such investments can reasonably be expected to be affected at each interest rate reset date.

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

Interest Rate Risk (Continued)

Investments in equities, or in debt securities with remaining maturities longer than five years, are held by the SCERS pension trust fund, other trust funds, or by bond trustees pursuant to debt agreements.

The City's cash and investments by maturities as of June 30, 2013 are as follows:

		Remaining Maturity in Years			
Investment Type	No Maturity	Under 1	1-5	Over 5	Fair Value
Certificates of deposit	$ -	$ 10,744	$ 2,786	$ -	$ 13,530
Commercial paper	-	202,000	-	-	202,000
Corporate bonds	-	175,958	188,459	25,577	389,994
Deposits	5,040	-	-	-	5,040
Equities	109,973	-	-	-	109,973
Exchange traded funds	53,469	-	-	-	53,469
Investment Trust of California (CalTRUST)	-	9,866	153,562	-	163,428
Local Agency Investment Fund (LAIF)	-	48,000	-	-	48,000
Mortgage loans	-	-	1,918	2,432	4,350
Municipal bonds	-	45,746	76,576	41,198	163,520
Mutual funds	-	36,804	-	-	36,804
Repurchase agreements	-	8,088	-	-	8,088
U.S. agencies	-	74,860	119,432	2,821	197,113
U.S. Treasury bonds	-	-	-	293	293
U.S. Treasury notes	-	-	19,492	-	19,492
	$ 168,482	$ 612,066	$ 562,225	$ 72,321	1,415,094
Component Unit - SRAFFA					
Mutual funds	$ -	$ 1,110	$ -	$ -	1,110
Total component unit	$ -	$ 1,110	$ -	$ -	1,110
Total Cash and Investments					$ 1,416,204

Investments in callable bonds are investments that, although having clearly defined maturities, allow for the issuer to redeem or call such bonds earlier than their respective maturity dates. The investor must then replace the called bonds with investments that may have lower yield than the original bonds. The fair values of the callable bonds held at June 30, 2013 by investment type are as follows:

Investment Type	Fair Value
Corporate bonds	$ 9,320
Municipal bonds	24,486
U.S. agencies	113,456

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits credit risk by requiring compliance with the California Government Code for investments of public funds, as described in detail above. At June 30, 2013, the City's deposits and investments, and corresponding credit ratings, are as follows:

Investment Type	S & P	Moody's	Fair Value
Certificates of deposit	A	P1	$ 10,000
	not rated	not rated	3,530
Commercial paper	A	P1	202,000
Corporate bonds	A	A	195,424
	A	Aa	3,104
	A	Baa	76,812
	AA	A	55,327
	AA	Aa	35,563
	AAA	Aaa	2,248
	B	Baa	5,365
	BBB	A	5,287
	BBB	Baa	72
	not rated	A	5,000
	not rated	Aaa	5,183
	not rated	withdrawn	609
Deposits	not rated	not rated	5,040
Equities (exempt from disclosure)	N/A	N/A	109,973
Exchange traded funds (exempt from disclosure)	N/A	N/A	53,469
Investment Trust of California (CalTRUST)	not rated	not rated	163,428
Local Agency Investment Fund (LAIF)	not rated	not rated	48,000
Mortgage loans	not rated	not rated	4,350
Municipal bonds	A	A	61,941
	A	Ba	8,785
	A	Baa	3,760
	A	withdrawn	4,002
	AA	A	12,280
	AA	Aa	34,638
	AA	Aaa	2,936
	AA	not rated	5,189
	AAA	Aa	3,342
	AAA	not rated	4,972
	SP1	not rated	15,087
	not rated	Aa	1,043
	not rated	not rated	5,545
Mutual funds	A	P1	32
	AAA	Aaa	34,656
	not rated	not rated	2,116
Repurchase agreements	AA	Aaa	8,088
U.S. agencies	AA	A	5,675
	AA	Aaa	147,882
	not rated	not rated	40,700
	N/A	N/A	2,856

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

Credit Risk (Continued)

Investment Type	S & P	Moody's	Fair Value
U.S. Treasury bonds (exempt from disclosure)	N/A	N/A	293
U.S. Treasury notes (exempt from disclosure)	N/A	N/A	19,492
Total primary government			1,415,094
Component Unit - SRAFFA			
Mutual funds	AAA	Aaa	1,110
			1,110
Total Cash and Investments			$ 1,416,204

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) which represent 5% or more of total investments at June 30, 2013:

General Electric Corporation	$ 128,805

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code has provisions for financial institutions that limit custodial credit risk for deposits. Financial institutions are required to secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City's financial institutions also have insurance through the Federal Depository Insurance Corporation (FDIC). The City's investment policy has no additional provisions for limiting custodial credit risk for deposits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments; however, it is the practice of the City Treasurer that all investments are insured, registered or held by the Treasurer's custodial agent in the City's name.

As of June 30, 2013, investments were held by the same broker-dealer (counterparty) that was used by the City to purchase the securities:

$ 8,088	Investments purchased with cash collateral from securities lending transactions

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

Securities Lending

The City engages in securities lending transactions, whereby the City has authorized its custodial bank to loan its securities to approved counterparties for collateral (cash or securities) with a simultaneous agreement to return the collateral for the same securities in the future. Such loans are short-term and the City retains the right to sell, without penalty, the original securities in which it has invested. The City's arrangement with the bank requires the bank to indemnify the City for failure of any counterparty to return the securities loaned. The City's investment policy permits securities loans up to 20% of the fair value of the City's portfolio.

Cash collateral received as of June 30, 2013, was equal to 102.8% of the market value of the loaned securities. The custodial bank uses the cash collateral to purchase investments. As of June 30, 2013, the weighted average maturity of the securities on loan was 375 days and the weighted average maturity of the investments purchased with cash collateral was 1 day. At year end, the City has no credit risk exposure to borrowers because the amounts the City owes the borrowers exceed the amounts the borrowers owe the City.

The City received cash collateral of $12,105. The City does not have the ability to pledge or sell collateral securities delivered absent a borrower default. The following table provides information concerning the fair value of securities lent and investments purchased with the cash collateral as of June 30, 2013:

Type of Investment Lent		
Corporate bonds	$	1,261
Equities		166
Exchange traded funds		8,499
U.S. Treasury notes		1,847
Total securities lent	$	11,773
Type of Investment Purchased with Cash Collateral		
Repurchase agreements	$	8,088

City Sponsored Investment Pool

As part of the City's total cash and investments portfolio, the City Treasurer manages an investment pool, which includes both internal and external investors. The pool is not registered with the Securities and Exchange Commission as an investment company. The City Treasurer is granted authority for managing the pool by City Charter Section 73 and City Council ordinances and resolutions. Monthly, the City Treasurer reports investment activity to the Council for review.

The fair value of investments is determined monthly. Participants' shares sold and redeemed are determined by the daily cash balance deposited in the pool (the value of its pool shares). The value of the pool shares is based upon amortized cost in day to day operations but is adjusted to the fair value at year-end. The investments are reported at fair value. The value of the shares is supported by the value of the underlying investments. External participants, including various joint powers agencies, comprise 6.11% of pool participation.

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

City Sponsored Investment Pool (Continued)

The following represents a condensed statement of net position and changes in net position for the City Sponsored Investment Pool as of June 30, 2013:

Statement of Net Position:		
Investments at fair value	$	992,827
Interest receivables		3,233
Securities lending obligations		(3,216)
Net Position	$	992,844
Equity of internal pool participants	$	932,216
Equity of external pool participants		60,628
Total equity	$	992,844
Statement of Changes in Net Position:		
Net position at July 1, 2012	$	702,971
Net change in investments by pool participants		289,873
Net position at June 30, 2013	$	992,844

A summary of the investment classifications as of June 30, 2013 is as follows:

	Fair Value	Adjusted Cost	Interest Rates	Maturity Dates
Certificates of deposit	$ 10,798	$ 10,799	0.21-0.70%	10/13-02/16
Commercial paper	202,000	201,835	0.21-0.52%	07/13-02/14
Corporate bonds	297,060	295,955	0.54-6.50%	10/13-05/18
Deposits	3,939	3,939	N/A	N/A
Investment Trust of California (CalTRUST)	142,363	142,363	0.08-0.62%	N/A
Municipal bonds	98,846	98,578	0.29-7.28%	08/13-04/18
Mutual funds	2,063	2,063	0.01%	N/A
Repurchase agreements	74	74	0.09-0.25%	07/13
State of California Treasurer's Local Agency Investment Fund	48,000	48,000	N/A	N/A
U.S. government and agency securities	187,684	189,595	0.08-5.62%	10/13-06/18
Total cash and investments in City sponsored investment pool	$ 992,827	$ 993,201		

Participation in External Investment Pools

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute. The balance available for withdrawal is based on the accounting records maintained by the LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the City's position in the LAIF pool. As of June 30, 2013, the City's investment in LAIF is $48,000. The total amount invested by all public agencies in LAIF at that date is $21,212,246. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2013 had a balance of $58,828,475. Of that amount, 98.04% is invested in non-derivative financial products, and 1.96% is invested in derivative financial products.

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

Participation in External Investment Pools (Continued)

The City is also a voluntary participant in the Investment Trust of California (CalTRUST) which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST, and selects and supervises the activities of the Investment Manager and other agents. As of June 30, 2013, the City's investment in CalTRUST is $163,428, of which $9,866 was invested in the Money Market Fund, $52,981 in the Short-term pool and $100,581 in the Medium-term pool. Amounts that may be withdrawn from the Money Market Fund are based upon the fund's assets valued using the amortized cost method. Amounts that may be withdrawn from the Short-term and Medium-term pools are based on the net asset value per share and the number of shares held by participants in each pool.

NOTE 3 – **RECEIVABLES**

Receivables as of June 30, 2013, were as follows:

	Taxes	Accounts	Loans	Inter-govern-mental	Interest	Total
Governmental activities						
General Fund	$ 20,253	$ 10,457	$ 32	$ 1,940	$ 260	$ 32,942
Measure U Fund	7,867	-	-	-	-	7,867
Capital Grants Fund	-	2,246	-	26,627	-	28,873
1997 Lease Revenue Bond Fund	-	-	64,005	-	730	64,735
Other governmental funds	1,658	4,139	20,734	61,823	370	88,724
Internal service funds	-	329	-	-	278	607
	$ 29,778	$ 17,171	$ 84,771	$ 90,390	$ 1,638	$ 223,748
Amounts not scheduled for collection during the subsequent year	$ -	$ -	$ 70,499	$ 42,608	$ -	$ 113,107
Business-type activities						
Water Fund	$ -	$ 19,113	$ 7,078	$ 1,245	$ 1,356	$ 28,792
Wastewater Fund	-	11,134	1,175	108	247	12,664
Storm Drainage Fund	-	6,353	4,862	1,171	236	12,622
Solid Waste Fund	-	12,413	2	837	92	13,344
Community Center Fund	2,224	281	152	-	17	2,674
Other enterprise funds	-	1,003	645	-	138	1,786
	$ 2,224	$ 50,297	$ 13,914	$ 3,361	$ 2,086	$ 71,882
Component unit						
Sacramento Regional Arts Facilities Financing Authority	$ -	$ -	$ 12,383	$ -	$ -	$ 12,383

Included in the Accounts Receivable amounts above are allowances for doubtful accounts of $11,094.

Included in the Loans Receivable amount related to Other governmental funds above is the present value of the installment payments under the golf service concession arrangement of $9,039, reported with the associated deferred inflow in the government-wide statement of net position.

Under the terms of a SRAFFA facility lease agreement, California Music Theater is obligated to make base rental payments in an amount equal to the debt service requirements of the certificates of participation.

NOTE 4 **– CAPITAL ASSETS**

Summary

The following is a summary of capital assets as of June 30, 2013:

	Governmental Activities	Business-Type Activities	Total
Capital assets not being depreciated/amortized			
Land	$ 186,928	$ 54,196	$ 241,124
Easements	697	157	854
Construction in progress	95,876	36,020	131,896
	283,501	90,373	373,874
Depreciable/amortizable capital assets			
Buildings and improvements	599,746	282,710	882,456
Equipment	75,862	59,898	135,760
Software	4,493	1,487	5,980
Vehicles	123,502	-	123,502
Transmission and distribution system	3,622	1,117,471	1,121,093
Roadway network	1,542,684	-	1,542,684
Streetlight network	195,930	-	195,930
Park improvements	154,519	-	154,519
	2,700,358	1,461,566	4,161,924
Less accumulated depreciation/amortization for:			
Buildings and improvements	(182,483)	(131,886)	(314,369)
Equipment	(43,857)	(33,793)	(77,650)
Software	(704)	(324)	(1,028)
Vehicles	(70,181)	-	(70,181)
Transmission and distribution system	(622)	(358,122)	(358,744)
Roadway network	(867,539)	-	(867,539)
Street light network	(64,020)	-	(64,020)
Park improvements	(30,906)	-	(30,906)
	(1,260,312)	(524,125)	(1,784,437)
Depreciable/amortizable captial assets,net	1,440,046	937,441	2,377,487
Total capital assets, net	$ 1,723,547	$ 1,027,814	$ 2,751,361

NOTE 4 – **CAPITAL ASSETS (Continued)**

Governmental Activities

Governmental capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Transfers In/Out	Ending Balance
Capital assets not being depreciated/amortized					
Land	$ 186,304	$ -	$ -	$ 624	$ 186,928
Easements	416	-	-	281	697
Construction in progress	130,478	71,312	-	(105,914)	95,876
	317,198	71,312	-	(105,009)	283,501
Depreciable/amortizable capital assets					
Buildings and improvements	547,262	-	(249)	52,733	599,746
Equipment	72,626	1,380	-	1,856	75,862
Software	2,847	-	-	1,646	4,493
Vehicles	118,751	12,374	(7,623)	-	123,502
Transmission and distribution system	3,622	-	-	-	3,622
Roadway network	1,521,851	9,006	(17,102)	28,929	1,542,684
Streetlight network	188,023	475	-	7,432	195,930
Park improvements	150,554	-	-	3,965	154,519
	2,605,536	23,235	(24,974)	96,561	2,700,358
Less accumulated depreciation/amortization for:					
Buildings and improvements	(169,026)	(13,706)	249	-	(182,483)
Equipment	(39,301)	(4,556)	-	-	(43,857)
Software	(459)	(245)	-	-	(704)
Vehicles	(68,129)	(9,037)	6,985	-	(70,181)
Transmission and distribution system	(574)	(48)	-	-	(622)
Roadway network	(832,114)	(52,526)	17,101	-	(867,539)
Streetlight network	(59,773)	(4,247)	-	-	(64,020)
Park improvements	(25,233)	(5,673)	-	-	(30,906)
	(1,194,609)	(90,038)	24,335	-	(1,260,312)
Depreciable/amortizable capital assets, net	1,410,927	(66,803)	(639)	96,561	1,440,046
Governmental activities capital assets, net	$ 1,728,125	$ 4,509	$ (639)	$ (8,448)	$ 1,723,547

The beginning balances of governmental activities capital assets have been restated, see Note 19.

Depreciation/amortization expense was charged to functions as follows:

General government	$ 5,183
Police	2,843
Fire	1,061
General services	437
Public works	56,680
Economic development	4,397
Convention, culture and leisure	104
Parks and recreation	8,633
Community development	162
Library	1,258
Capital assets held by the City's internal service funds are charged to the functions based on their usage of assets	9,280
Total governmental activities depreciation/amortization expense	$ 90,038

NOTE 4 – **CAPITAL ASSETS (Continued)**

Business-type Activities

Business-type capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Transfers In/Out	Ending Balance
Capital assets not being depreciated/amortized					
Land	$ 54,318	$ -	$ (970)	$ 848	$ 54,196
Easements	157	-	-	-	157
Construction in progress	24,575	31,433	-	(19,988)	36,020
	79,050	31,433	(970)	(19,140)	90,373
Depreciable/amortizable capital assets					
Buildings and improvements	282,426	-	-	284	282,710
Equipment	58,740	107	(81)	1,132	59,898
Software	1,081	-	-	406	1,487
Transmission and distribution system	1,087,386	4,320	-	25,765	1,117,471
	1,429,633	4,427	(81)	27,587	1,461,566
Less accumulated depreciation/amortization for:					
Buildings and improvements	(125,225)	(6,661)	-	-	(131,886)
Equipment	(30,109)	(3,694)	9	1	(33,793)
Software	(222)	(102)	-	-	(324)
Transmission and distribution system	(329,830)	(28,292)	-	-	(358,122)
	(485,386)	(38,749)	9	1	(524,125)
Depreciable/amortizable capital assets, net	944,247	(34,322)	(72)	27,588	937,441
Business-type activities capital assets, net	$ 1,023,297	$ (2,889)	$ (1,042)	$ 8,448	$ 1,027,814

Depreciation/amortization expense was charged to functions as follows:	
Water	$ 16,544
Wastewater	4,155
Storm drainage	11,302
Solid waste	1,839
Community center	2,408
Parking	2,151
Child development	77
Marina	273
Total business-type activities depreciation/amortization expense	$ 38,749

NOTE 5 – **PAYABLES**

Payables as of June 30, 2013, were as follows:

	Vendors	Employees	Interest	Deposits	Total
Governmental activities					
General Fund	$ 9,554	$ 12,058	$ -	$ 53	$ 21,665
Measure U Fund	11	-	-	-	11
Capital Grants Fund	18,437	-	-	-	18,437
1997 Lease Revenue Bond Fund	-	-	730	-	730
Other governmental funds	12,031	187	1,587	2,210	16,015
Internal service funds	2,668	306	8	17	2,999
Total governmental activities	$ 42,701	$ 12,551	$ 2,325	$ 2,280	$ 59,857
Business-type activities					
Water Fund	$ 6,142	$ 691	$ 3,404	$ -	$ 10,237
Wastewater Fund	8,787	236	77	-	9,100
Storm Drainage Fund	1,442	638	288	-	2,368
Solid Waste Fund	1,685	365	143	10	2,203
Community Center Fund	1,013	185	463	-	1,661
Other enterprise funds	1,444	309	840	87	2,680
Total business-type activities	$ 20,513	$ 2,424	$ 5,215	$ 97	$ 28,249
Component unit					
Sacramento Regional Arts Facilities Financing Authority	$ 159	$ -	$ -	$ -	$ 159

NOTE 6 – **OPERATING LEASES**

City as Lessee

The City is obligated under various operating leases for the use of land, buildings, office space, and equipment. Lease expenditures, primarily for governmental funds, for the fiscal year ended June 30, 2013, were $955.

Sublease rental income for the fiscal year ended June 30, 2013 was $648. The total amount of minimum rentals to be received in the future under non-cancelable subleases is $2,993.

Future minimum lease payments required by non-cancellable lease agreements that have initial lease terms in excess of one year are as follows:

Fiscal Year Ending June 30,	Payments
2014	$ 635
2015	561
2016	445
2017	387
2018	291
2019-2023	1,063
2024-2028	894
2029-2033	877
2034-2038	444
2039-2043	113
Total future minimum lease payments	$ 5,710

NOTE 7 – **LONG-TERM LIABILITIES**

Activity

The following is a summary of changes in long-term liabilities. Certain long-term liabilities provide financing to both governmental and business-type activities.

GOVERNMENTAL ACTIVITIES:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue and other bonds:					
1993 Refunded Revenue Bonds, Series A	$ 12,738	$ -	$ (1,137)	$ 11,601	$ 1,198
1993 Refunded Revenue Bonds, Series B	21,399	-	(1,926)	19,473	2,022
1996 Lighting and Landscaping Bonds	2,545	-	(455)	2,090	480
1997 Lease Revenue Bonds	65,780	-	(1,775)	64,005	1,990
1999 CFD No. 2 Revenue Bonds, Series A	2,120	-	(115)	2,005	125
2002 Capital Improvement Revenue Bonds	12,830	-	(5,110)	7,720	5,310
2002 Refunding Revenue Bonds	3,243	-	(3,243)	-	-
2003 Capital Improvement Revenue Bonds	24,090	-	(1,270)	22,820	1,315
2005 Refunding Revenue Bonds	59,773	-	(1,239)	58,534	1,294
2006 Capital Improvement Revenue Bonds, Ser. A	82,605	-	(2,975)	79,630	3,095
2006 Capital Improvement Revenue Bonds, Ser. B	51,190	-	(960)	50,230	1,000
2006 Capital Improvement Revenue Bonds, Ser. C	26,195	-	(590)	25,605	-
2006 Capital Improvement Revenue Bonds, Ser. D	2,430	-	-	2,430	620
2006 Capital Improvement Revenue Bonds, Ser. E	80,803	-	-	80,803	-
Subtotal, revenue and other bonds	447,741	-	(20,795)	426,946	18,449
Notes Payable:					
1997 State Department of Boating & Waterways	605	-	(75)	530	79
Subtotal, notes payable	$ 605	$ -	$ (75)	$ 530	$ 79

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Activity (Continued)

GOVERNMENTAL ACTIVITIES (Continued):	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital Lease Obligations:					
JP Morgan Fleet Financing	$ -	$ 2,818	$ (274)	$ 2,544	$ 554
JP Morgan Capital Lease Refinance	-	3,973	(633)	3,340	1,278
Fire trucks and equipment #1	3,254	-	(3,254)	-	-
Fire trucks and equipment #2	291	-	(291)	-	-
Fire trucks and equipment #3	3,793	-	(405)	3,388	423
Liquid nitrate gas (LNG) - refueling trailer	196	-	(22)	174	23
Parking pay and display meters #1	259	-	(259)	-	-
Parking pay and display meters #2	646	-	(646)	-	-
Subtotal, capital lease obligations	8,439	6,791	(5,784)	9,446	2,278
Plus deferred amounts:					
For issuance discounts	(151)	-	8	(143)	(8)
For issuance premiums	17,225	-	(958)	16,267	957
Net loss on refundings	(7,491)	-	383	(7,108)	(383)
Subtotal deferred amounts	9,583	-	(567)	9,016	566
Subtotal, debt governmental activities	466,368	6,791	(27,221)	445,938	21,372
Other Long-term Liabilities:					
Accrued claims and judgements	58,766	16,468	(12,528)	62,706	16,139
Compensated absences	32,504	29,828	(29,866)	32,466	1,824
OPEB liability	89,303	33,916	(11,060)	112,159	-
Pollution remediation obligations	680	-	(77)	603	121
Derivative instrument - interest rate swap	13,653	-	(3,227)	10,426	-
Financing plan fee credits:					
North Natomas	36,462	-	(24)	36,438	204
Jacinto Creek	879	20	-	899	-
Park Development	4,024	-	(311)	3,713	138
Subtotal, other long-term liabilities	236,271	80,232	(57,093)	259,410	18,426
Total, governmental activities	$ 702,639	$ 87,023	$ (84,314)	$ 705,348	$ 39,798

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Activity (Continued)

BUSINESS-TYPE ACTIVITIES:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue and other bonds:					
1993 Refunded Revenue Bonds, Series A	$ 52,594	$ -	$ (4,693)	$ 47,901	$ 4,947
1993 Refunded Revenue Bonds, Series B	23,371	-	(2,104)	21,267	2,208
2002 Refunding Revenue Bonds	2,263	-	(2,263)	-	-
2005 Refunding Revenue Bonds	103,681	-	(6,271)	97,410	6,681
2006 Capital Improvement Revenue Bonds, Ser. E	92,277	-	-	92,277	-
Water Revenue Bonds, Series 2013	-	215,195	-	215,195	-
Wastewater Revenue Bonds, Series 2013	-	30,855	-	30,855	-
Subtotal, revenue and other bonds	274,186	246,050	(15,331)	504,905	13,836
Notes Payable:					
1985 Marina Phase I	1,557	68	-	1,625	42
1985 Marina Phase II	2,372	109	-	2,481	56
1985 Marina Phase III	737	34	-	771	115
1985 Marina Phase IV	507	20	-	527	66
2008 Sacramento Marina South Basin	10,208	269	-	10,477	180
State Water Resources Control Board	909	-	(142)	767	146
State Water Resources Control Board	19,134	-	(1,945)	17,189	1,988
State Water Resources Control Board	2,443	-	(279)	2,164	286
State Water Resources Control Board	3,152	-	(315)	2,837	323
State Water Resources Control Board	1,311	-	(131)	1,180	134
California Department of Education	60	-	(20)	40	20
California Department of Public Health	10,000	-	(194)	9,806	396
California Infrastructure and Economic Development Bank (I-Bank)	2,741	-	(69)	2,672	72
Subtotal, notes payable	55,131	500	(3,095)	52,536	3,824
Capital Lease Obligations:					
Recycle Containers #5	1,602	-	(623)	979	646
Refuse Trucks - Schedule 12	3,192	-	(3,192)	-	-
Refuse Trucks - Schedule 16	5,028	-	(945)	4,083	974
Sewer Cleaning Trucks - Schedule 17	708	-	(133)	575	137
JP Morgan Capital Lease Refinance	-	3,023	(267)	2,756	538
Bank of America - Marina South Basin	1,163	-	(90)	1,073	94
Subtotal, capital lease obligations	11,693	3,023	(5,250)	9,466	2,389
Less deferred amounts:					
For issuance discounts	(485)	-	60	(425)	(60)
For issuance premiums	18,244	35,023	(1,635)	51,632	2,219
Net loss on refunding	(14,704)	-	939	(13,765)	(938)
Subtotal, deferred amounts	3,055	35,023	(636)	37,442	1,221
Subtotal, debt, business type activities	$ 344,065	$ 284,596	$ (24,312)	$ 604,349	$ 21,270

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Activity (Continued)

BUSINESS-TYPE ACTIVITIES (Continued):	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Other Long-term Liabilities:					
Compensated absences	$ 7,547	$ 6,323	$ (6,919)	$ 6,951	$ 310
OPEB liability	15,900	5,463	(1,783)	19,580	-
Accrued claims and judgments	304	53	-	357	357
Water fee credits	1,702	-	-	1,702	-
Liability for landfill closure	22,804	-	(2,398)	20,406	800
Subtotal, other long-term liabilties	48,257	11,839	(11,100)	48,996	1,467
Total business-type activities	392,322	296,435	(35,412)	653,345	22,737
COMPONENT UNIT					
Certificates of Participation					
Sacramento Regional Arts Facilities, 2002 Series COPS	13,745	-	(410)	13,335	425
Less deferred amounts:					
For issuance discounts	(104)	-	5	(99)	(5)
Total component unit	13,641	-	(405)	13,236	420
Total, long-term liabilities	$ 1,108,602	$ 383,458	$ (120,131)	$ 1,371,929	$ 62,955

The following is a list of long-term debt issues outstanding at June 30, 2013, including the amount of original debt issuance, a description of the debt issue, and disclosure of pledged revenue.

Revenue and Other Bonds

$130,425 1993 Refunded Revenue Bonds, Series A
Authorized and issued September 1993, due in annual installments of $2,186 to $8,875 through November 2020, bearing interest rates of 4.5% to 5.13%, for the purpose of refunding the 1986 Public Facilities Certificates of Participation and a portion of the 1991 Marks-Roos Revenue Bonds.

$95,480 1993 Refunded Revenue Bonds, Series B
Authorized and issued September 1993, due in annual installments of $1,634 to $6,070 through November 2020, bearing interest rates of 4.5% to 5.13%, for the purpose of refunding the 1989 Public Facilities Certificates of Participation.

$7,290 1996 Lighting and Landscaping Bonds
Authorized and issued October 1996, due in annual installments of $235 to $565 through fiscal year 2017, bearing interest rates of 4.5% to 5.5%, for the purpose of financing park and lighting maintenance and capital improvements. The debt service on the bonds is payable from special assessments to be levied and collected from property owners. The City pledged future Citywide lighting and landscaping special assessment revenues to repay the bonds. The bonds are payable solely from special assessment revenue through September 2016. Total principal and interest remaining to be paid on the bonds is $2,328. Current year principal and interest paid was $582 and special assessment revenue in the Citywide Lighting and Landscaping District was $14,561.

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Revenue and Other Bonds (Continued)

$73,725 1997 Lease Revenue Bonds
Authorized and issued July 1997, due in annual installments of $1,060 to $2,665 through July 2017, at which time there will be a mandatory remarketing. The bonds were issued to finance the acquisition and lease back of a sports and entertainment arena. The bonds were issued as variable rate bonds for which a ten-year interest rate hedge was purchased to mitigate risk of interest rate fluctuations to a fixed rate of 5.607%. The debt service on the bonds is paid from lease revenue from the arena owner. The City pledged future lease revenues to repay the bonds. The bonds are payable solely from lease revenue through July 2027. Total remaining principal and interest of $95,998 will be paid using 100% of future lease revenue. Current year principal and interest paid was $5,382 and lease revenue was $5,335.

$2,910 1999 Community Facilities District No. 2 Revenue Bonds, Series A
Authorized and issued January 1999, due in annual installments of $35 to $255 through September 2023, bearing interest rates of 4.8% to 6.25%, for the purpose of financing capital improvements of the North Natomas CFD of benefit to City property.

$160,475 2002 Capital Improvement Revenue Bonds
Authorized and issued July 2, 2002, for the purpose of financing certain capital projects within the City of Sacramento and to make a loan to the Redevelopment Agency of Sacramento for certain redevelopment projects within the City of Sacramento. In July 2005, $32,935 of the bonds were defeased through the issuance of the 2005 Refunding Revenue bonds, and in December 2006, $51,285 of the bonds were defeased through the issuance of the 2006 Series E Refunding Revenue bonds. The balance is due in annual installments of $250 to $5,310 through December 2017, bearing interest rates of 4% to 5.38%.

$46,265 2002 Refunding Revenue Bonds
Authorized and issued October 31, 2002, with principal and interest due in annual installments of $5,780 to $5,800 through July 1, 2012, bearing interest at rates of 2.75% to 5%. Net proceeds of $47,988 were utilized for the purpose of establishing an irrevocable escrow to refund $27,950 principal amount of the City's 1991 Refunding Certificates of Participation (1987 Public Facilities Projects) and $20,430 principal amount of the City's 1991 Refunding Certificates of Participation (Light Rail Transit Project).

$68,470 2003 Capital Improvement Revenue Bonds
Authorized and issued September 30, 2003, with the net proceeds of $67,841 utilized for financing construction of the 911 Call Center and certain other capital projects within the City of Sacramento. In December 2006, $35,805 of the bonds were defeased through the issuance of the 2006 Series E Refunding Revenue bonds. The balance was due in annual installments of $150 to $3,360 through December 2033, bearing interest rates of 2.25% to 5%.

$167,860 2005 Refunding Revenue Bonds
Authorized and issued July 12, 2005, due in annual installments of $360 to $15,315 through December 1, 2029, bearing interest rates of 4% to 5%. Net proceeds of $187,563 were utilized for the purpose of establishing an irrevocable escrow to refund $173,440 principal amount of the outstanding 2000 Capital Improvement Revenue Bonds and a portion of the outstanding 1999, 2001 and 2002 Capital Improvement Revenue Bonds. As a result, the refunded bonds are considered defeased and the liabilities have been removed from the governmental and business-type activities columns of the statement of net position.

NOTE 7 **– LONG-TERM LIABILITIES (Continued)**

Revenue and Other Bonds (Continued)

$95,900 2006 Capital Improvement Revenue Bonds Series A (Tax Exempt)
Authorized and issued June 15, 2006, due in annual installments of $2,060 to $5,070 through December 1, 2036, bearing interest rates of 3.75% to 5%. Net proceeds of $89,808 are being utilized for the purpose of financing certain public capital improvements and redevelopment projects including the expansion of the Crocker Art Museum, the new Valley Hi–North Laguna Library and other capital projects within the City of Sacramento.

$55,235 2006 Capital Improvement Revenue Bonds Series B (Taxable)
Authorized and issued June 15, 2006, due in annual installments of $720 to $3,760 through December 1, 2036, bearing interest rates of 5.4% to 5.8%. Net proceeds of $50,692 are being utilized for the purpose of financing certain public capital improvements and redevelopment projects including an arts rehearsal building, Pocket Area Library and other capital projects within the City of Sacramento.

$28,825 2006 Capital Improvement Revenue Bonds Series C (Tax Exempt)
Authorized and issued December 12, 2006, due in annual installments of $245 to $1,955 through December 1, 2036, bearing interest rates of 4% to 5%. Net proceeds of $30,500 were utilized for the purpose of financing the acquisition and improvements of the 300 Richards Boulevard land and building in the City of Sacramento.

$2,430 2006 Capital Improvement Revenue Bonds Series D (Tax Exempt)
Authorized and issued December 12, 2006, due in annual installments of $475 to $685 through December 1, 2016, bearing an interest rate of 5.16%. Net proceeds of $2,400 were utilized for the purpose of financing the acquisition and improvements of the 300 Richards Boulevard land and building in the City of Sacramento.

$186,950 2006 Capital Improvement Revenue Bonds Series E (Refunding)
Authorized and issued December 12, 2006, due in annual installments of $402 to $8,570 through December 1, 2033, bearing interest rates of 4% to 5.25%. Net proceeds of $216,661 plus cash of $13,441 have been utilized for the purpose of establishing an irrevocable escrow to defease $218,000 principal amount of the outstanding 2001 Capital Improvement Revenue Bonds and a portion of the outstanding 2002 and 2003 Capital Improvement Revenue Bonds, and the associated liabilities have been removed from the governmental and business-type activities columns of the statement of net position.

$215,195 Water Revenue Bonds, Series 2013
Authorized and issued March 2013, due in annual installments of $9,731 to $14,018 through fiscal year 2043, bearing interest rates of 1% to 5%, for the purpose of financing the costs of improvements to the City's municipal water system. The debt service on the bonds is secured by the pledge of, and payable solely from, the Trust Estate, which consist primarily of all system net revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is $416,184 as of June 30, 2013. Current year principal and interest paid was $0 and Water Fund system revenue was $88,737.

$30,855 Wastewater Revenue Bonds, Series 2013
Authorized and issued June 2013, due in annual installments of $951 to $1,958 through fiscal year 2043, bearing interest rates of 3% to 5%, for the purpose of financing the costs of improvements to the City's wastewater system. The debt service on the bonds is secured by a pledge of, and payable solely from, the Trust Estate, which consists primarily of all system net revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is $57,108 as of June 30, 2013. Current year principal and interest paid was $0 and Wastewater Fund system revenue was $24,063.

NOTE 7 **– LONG-TERM LIABILITIES (Continued)**

Certificates of Participation

$16,580 Sacramento Regional Arts Facilities 2002 Series Certificates of Participation (COPs)
Authorized and issued in August 2002, due in annual principal and interest installments of $754 to $1,063 through September 2032, bearing interest rates of 2% to 5%. Net proceeds of $16,428 were utilized for the purpose of financing and refinancing the acquisition, renovation and construction of the H Street Theatre facilities. The City pledged future lease revenues to repay the COPs. The COPs are payable solely from lease revenue through September 2032. Total remaining principal and interest of $20,886 will be paid using 100% of future lease revenue. Current year principal and interest paid was $1,053 and lease payments received were $1,053.

Notes Payable

$2,220 1985 Sacramento Marina Note Payable, Phase I
Authorized July 1985, issued November 1985, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of $20 to $82 through August 2030, bearing an interest rate of 4.5%, for the purpose of financing the expansion of the Sacramento Marina. The City made a partial payment on its scheduled debt service in August 2012 and is working with the DB&W to restructure the loan.

$3,229 1985 Sacramento Marina Note Payable, Phase II
Authorized July 1985, issued September 1987, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of $27 to $150 through August 2037, bearing an interest rate of 4.5%, for the purpose of financing the expansion of the Sacramento Marina. The City made a partial payment on its scheduled debt service in August 2012 and is working with the DB&W to restructure the loan.

$1,829 1985 Sacramento Marina Note Payable, Phase III
Authorized July 1985, issued March 1988, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of $50 to $120 through August 2018, bearing an interest rate of 4.5%, for the purpose of financing the expansion of the Sacramento Marina. The City made a partial payment on its scheduled debt service in August 2012 and is working with DB&W to restructure the loan.

$1,117 1985 Sacramento Marina Note Payable, Phase IV
Authorized July 1985, issued February 1989, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of $29 to $73 through August 2019, bearing an interest rate of 4.5%, for the purpose of financing the expansion of the Sacramento Marina. The City made a partial payment on its scheduled debt service in August 2012 and is working with DB&W to restructure the loan.

$10,477 2008 Sacramento Marina Note Payable, South Basin
Authorized February 2005, the City has made loan draws of $9,000 plus accrued interest of $1,477 through June 30, 2013, from the California Department of Boating and Waterways, for the purpose of constructing the South Basin Improvements at the Sacramento Marina. Principal and interest is due in 30 annual installments of $204 to $662, through August 2041, bearing an interest rate of 4.603%. The City made a partial payment on its scheduled debt service in August 2012 and is working with DB&W to restructure the loan.

$1,380 1997 State Department of Boating and Waterways Note Payable
Authorized January 1997, issued May 1999, due in annual installments of $89 to $98 through 2018, for the purpose of financing a visitor dock at Old Sacramento.

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Notes Payable (Continued)

$2,619 State Water Resources Control Board Note Payable
Authorized July 1998, issued September 1998, due in annual installments of $166 through March 2018, bearing an interest rate of 2.6% for the purpose of financing the City's reservoir rehabilitation project. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through March 2018. Total principal and interest remaining to be paid on the note is $828. Current year principal and interest paid was $166 and wastewater and storm drain fee revenue was $58,723.

$37,016 State Water Resources Control Board Note Payable
Authorized March 1999, issued beginning July 1999, due in annual installments of $2,373 through November 2020, bearing an interest rate of 2.2%, for the purpose of financing various wastewater projects. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through November 2020. Total principal and interest remaining to be paid on the note is $18,937. Current year principal and interest paid was $2,367 and wastewater and storm drain fee revenue was $58,723.

$5,177 State Water Resources Control Board Note Payable
Authorized March 2001, issued July 2001, due in annual installments of $342 through September 2019, bearing an interest rate of 2.6%, for the purpose of financing the construction of underground storage and pumping facilities. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through September 2019. Total principal and interest remaining to be paid on the note is $2,394. Current year principal and interest paid was $342 and wastewater and storm drain fee revenue was $58,723.

$2,603 State Water Resources Control Board Note Payable
Authorized June 2001, issued beginning May 2002, due in annual installments of $149 through May 2021, bearing an interest rate of 2.6%, for the purpose of financing the replacement of sewer lines. In fiscal year 2003 there was an additional draw of $250. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through May 2021. Total principal and interest remaining to be paid on the note is $1,320. Current year principal and interest paid was $165 and wastewater and storm drain fee revenue was $58,723.

$5,672 State Water Resources Control Board Note Payable
Authorized February 2002, issued beginning February 2002, due in annual installments of $397 through February 2021, bearing an interest rate of 2.6%, for the purpose of financing the replacement of sewer lines. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through February 2021. Total principal and interest remaining to be paid on the note is $3,177. Current year principal and interest paid was $397 and wastewater and storm drain fee revenue was $58,723.

$400 California Department of Education Note Payable
To finance the construction of temporary classrooms at Two Rivers School and Sequoia School with maturities of $40 per year through 2014. The note bears no interest.

NOTE 7 **– LONG-TERM LIABILITIES (Continued)**

Notes Payable (Continued)

$10,000 California Department of Public Health
Authorized September 2009 for the installation of approximately 13,000 water meters. The note, with a 2.5% interest rate, will be repaid over 20 years with annual principal and interest payments of approximately $639. The City pledged future water enterprise fund revenue to repay the note. The note is payable solely from water enterprise fund revenue through 2033.

$2,975 California Infrastructure and Economic Development Bank (I-Bank)
Authorized in December 2007, due in annual principal and interest installments from $187 to $196 through August 2032, bearing an interest rate of 3.17%, for the purpose of financing the purchase and construction of the Basin 31 Detention Basin. The City pledged future storm drainage fee revenue to repay the note. The note is payable solely from the storm drainage fee revenue through August 2032. Total principal and interest remaining to be paid on the note is $3,984. Current year principal and interest paid was $163 and storm drainage fee revenue was $34,660.

Capital Lease Obligations

The City has entered into several long-term leases to finance the acquisition of building improvements and equipment. The leases qualify as capital leases for accounting purposes as defined under the GASB Statement No. 62 and have been recorded at the present value of the future minimum lease payments. As of June 30, 2013, future minimum lease payments to be made by the City's General, Solid Waste, Wastewater and Marina Funds are as follows:

Fiscal Year Ending June 30,	Governmental Activities	Business-Type Activities	Total
2014	$ 2,493	$ 2,632	$ 5,125
2015	2,007	2,294	4,301
2016	2,007	1,956	3,963
2017	1,625	1,957	3,582
2018	890	709	1,599
2019-2023	1,184	624	1,808
Total minimum lease payments	10,206	10,172	20,378
Less amounts representing interest	(761)	(706)	(1,467)
Net present value of minimum lease payments	$ 9,445	$ 9,466	$ 18,911

The following is a schedule of property under capital leases by major classes at June 30, 2013:

	Governmental Activities	Business-Type Activities	Total
Builidings and improvements	$ -	$ 1,523	$ 1,523
Equipment	15,394	13,386	28,780
Less: accumulated depreciation	(4,345)	(5,084)	(9,429)
Total	$ 11,049	$ 9,825	$ 20,874

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Other Long-term Liabilities

Accrued claims and judgments – Estimated liabilities of the City's workers' compensation, auto, and general liability self-insurance programs administered through the Risk Management Internal Service Fund. The first year of salary continuation in the City's workers compensation program is accrued and paid by the City's General Fund, enterprise funds, and internal service funds.

Compensated absences – Estimated amounts due to employees for earned, but unused, compensated absence accounts, including leave balances for vacation, sick, holiday and compensated time off. Compensated absences are generally liquidated by the City's General Fund, enterprise funds, and internal service funds.

OPEB liability (other post-employment benefits) – Actuarially determined obligation for retiree medical benefits. The City established its OPEB liability at zero as of June 30, 2007. This liability reflects six years of contributing less than the annual required contribution. OPEB liabilities are generally liquidated by the City's General Fund, internal service funds and enterprise funds. See note 9 for more information.

Pollution remediation obligations – Estimated liabilities to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities.

Derivative instrument - interest rate swap – Amount represents the fair value of the interest rate swap associated with the 1997 Lease Revenue bonds. See additional disclosures regarding interest rate swap below.

Financing plan fee credits – Issued to developers as consideration for infrastructure and other capital improvements constructed on behalf of the City within the scope of the North Natomas, Jacinto Creek and other development impact fee programs. Credits are redeemable from or against future impact fees assessed within the geographic boundaries of the finance plan.

Water fee credits – Issued to developers as consideration for infrastructure constructed on behalf of the City. Credits are redeemable from or against future water development impact fees.

Liability for landfill closure – Estimated post-closure maintenance and monitoring costs for the closed landfill sites.

Future Debt Service Requirements

The following tables disclose the annual debt service requirements for the City and the Sacramento Regional Arts Facilities Financing Authority component unit long-term debt outstanding as of June 30, 2013.

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Future Debt Service Requirements (Continued)

Annual debt service requirements of governmental activities to maturity are as follows:

Fiscal Year Ending June 30,	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2014	$ 18,449	$ 21,648	$ 79	$ 24
2015	20,536	20,715	82	20
2016	21,831	19,719	86	17
2017	23,024	18,541	90	13
2018	22,314	17,400	94	9
2019 - 2023	92,864	71,922	99	4
2024 - 2028	100,389	47,303	-	-
2029 - 2033	83,752	22,892	-	-
2034 - 2038	43,787	4,507	-	-
Subtotals	426,946	244,647	530	87
Less: Issuance discounts	(143)	-	-	-
Plus: Issuance premiums	16,267	-	-	-
Less: Net loss on refundings	(7,108)	-	-	-
Totals	$ 435,962	$ 244,647	$ 530	$ 87

Annual debt service requirements of business-type activities to maturity are as follows:

Fiscal Year Ending June 30,	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2014	$ 13,836	$ 23,606	$ 3,824	$ 1,619
2015	18,089	24,070	3,925	1,519
2016	19,504	23,190	4,006	1,416
2017	20,456	22,217	4,110	1,311
2018	21,494	21,155	4,220	1,201
2019 - 2023	101,213	89,235	14,065	4,451
2024 - 2028	85,961	67,296	5,560	3,152
2029 - 2033	98,473	43,582	6,274	2,111
2034 - 2038	55,214	24,645	4,183	1,085
2039 - 2043	70,665	9,180	2,369	279
Subtotals	504,905	348,176	52,536	18,144
Less: Issuance discounts	(425)	-	-	-
Plus: Issuance premiums	51,632	-	-	-
Less: Net loss on refundings	(13,765)	-	-	-
Totals	$ 542,347	$ 348,176	$ 52,536	$ 18,144

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Future Debt Service Requirements (Continued)

Annual debt service requirements of component unit activities to maturity are as follows:

Fiscal Year Ending June 30,	Certificates of Participation	
	Principal	Interest
2014	$ 425	$ 627
2015	440	610
2016	460	591
2017	480	572
2018	500	551
2019 - 2023	2,845	2,391
2024 - 2028	3,600	1,614
2029 - 2033	4,585	596
Subtotals	13,335	7,552
Less: Issuance discounts	(99)	-
Totals	$ 13,236	$ 7,552

Derivative Instrument - Interest Rate Swap

Objective of the interest rate swap. As a means to lower its borrowing costs, when compared against fixed-rate bonds at the time of issuance in July 2007, the Sacramento City Financing Authority (the "Authority") entered into an interest rate swap in connection with its $73,725 1997 Lease Revenue Bonds (Sleep Train Arena Acquisition) variable interest rate bonds (the "Bonds"). The intention of the swap was to effectively change the Authority's variable interest rate on the bonds to a synthetic fixed rate of 5.607% through the end of the swap agreement's term. As of June 30, 2013 the amount of outstanding Bonds was $64,005. The interest and principal payments on the Bonds are insured by a third party bond insurer.

Terms. The Bonds mature on July 15, 2027 and are subject to remarketing on July 19, 2017. The Bonds carry an interest rate equal to 3-month London Interbank Offered Rate ("LIBOR") plus 0.25% (total rate not to exceed 14%), payable quarterly, until July 19, 2017. The swap agreement terminates on July 19, 2017, and has a notional amount as of June 30, 2013 of $64,005. The notional amount of the swap and the par amount of the Bonds each decline according to the same schedule through 2017. The swap was entered at the same time the Bonds were remarketed (July 2007). Under the swap, the Authority pays the counterparty a fixed payment of 5.607% and receives a variable payment computed as LIBOR plus 0.25% (total rate not to exceed 14%). The Authority's payments to the counterparty under the swap agreement are insured by the third party bond insurer.

Fair value. Because interest rates have declined since the execution of the swap, the swap had a negative fair value of $10,426 as of June 30, 2013, as provided by the swap counterparty. Because the coupons on the Bonds adjust as LIBOR adjusts, the Bonds do not have a corresponding fair value increase. The fair value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

The swap meets the requirements of a hedging derivative instrument and as such, hedge accounting is applied. Under hedge accounting, the fair value of the swap is reported in governmental activities on the statement of net position as deferred outflow for interest rate swap, an asset, and a corresponding long term liability. See other long term governmental liabilities in this footnote for changes in the swap liability.

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Derivative Instrument - Interest Rate Swap (Continued)

Credit risk. As of June 30, 2013, the Authority was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the Authority would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty was rated "A" by Fitch Ratings, "A3" by Moody's Investors Service, and "A-" by Standard & Poor's as of June 30, 2013.

To mitigate the potential for credit risk, if the counterparty's credit quality falls below "A3" by Moody's Investors Service or "A-" by Standard & Poor's, the swap agreement provides the counterparty, the Authority, the bond insurer for the Bonds, and a third-party collateral agent are to execute a collateral agreement establishing the type of collateral, the amount of collateral, the collateral agent, and the terms of the collateral agreement within 30 days of such a downgrade.

Basis risk. The swap agreement provides that the payment received by the Authority shall be at LIBOR plus 0.25% (total rate not to exceed 14%), the equivalent of the interest rate on the Bonds. This arrangement mitigates the Authority's exposure to basis risk.

Termination risk. The Authority may terminate the swap if the counterparty fails to perform under the terms of the contract. The Authority also may terminate the swap if the counterparty fails to execute a collateral agreement satisfactory to the Authority and the bond insurer within 30 days of the counterparty's ratings falling below "A3" by Moody's Investors Service or "A-" by Standard & Poor's. The counterparty may terminate the swap if the Authority fails to perform under the terms of the contract, and the bond insurer fails to perform under the terms of the contract. The counterparty also may terminate the swap upon the occurrence of the following events: 1) the bond insurer falls below "A3" by Moody's Investors Service or "A-" by Standard & Poor's, and; 2) the Authority falls below "Baa3" by Moody's Investors Service or "BBB-" by Standard & Poor's. If the swap is terminated, the variable rate Bonds would no longer carry a synthetic fixed interest rate. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap's fair value.

Rollover Risk. The Authority is exposed to rollover risk on the interest rate swap because the maturity date of the derivative instrument is July 2017, and the hedged debt matures in July 2027.

Swap payments and associated debt. Using rates in effect as of June 30, 2013, debt service requirements of the variable rate Bonds and net swap payments, assuming current interest rates remain the same through the July 2017 termination date of the swap and tender date on the Bonds, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Interest Rate Swaps, Net	Total
2014	$ 1,990	$ 333	$ 3,162	$ 5,485
2015	2,225	322	3,052	5,599
2016	2,475	315	2,978	5,768
2017	2,665	295	2,798	5,758
2018	54,650	73	693	55,416
TOTAL	$ 64,005	$ 1,338	$ 12,683	$ 78,026

Beyond the termination date of the swap and remarketing date on the bonds in July 2017, the interest rates on the bonds will vary.

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the U.S. Department of Treasury at least every five years. During the current year, the City performed calculations of excess investment earnings on various bonds and determined the liability to be zero at June 30, 2013.

Special Assessment Debt

Total matured and unmatured bonds outstanding related to special assessment and special tax districts are $166,065 at June 30, 2013. The City acts as an agent for the property owners in collecting special assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, when appropriate. The City is not liable for repayment of the special district bonds, and accordingly, they are not reflected in the accompanying basic financial statements. Cash held on deposit and corresponding amounts payable for the districts are reported in the Assessment Districts and Community Facilities Districts Agency Funds.

Conduit Debt

Outstanding obligations related to special facility and redevelopment agency revenue bonds total $288,980 at June 30, 2013. Special facility revenue bonds were issued to provide administrative and service facilities for four non-profit organizations and for offices leased to the State of California Department of General Services (State). The bonds issued are special limited obligations of the City, payable solely from and secured by a pledge of revenue to be received from loan or lease agreements between the City and the non-profit organizations or the State. The redevelopment agency bonds were issued by the Sacramento City Financing Authority to finance redevelopment activities and to refund certain other obligations of the redevelopment agency. The City is not liable for repayment of these bonds, and accordingly, they are not reflected in the accompanying basic financial statements.

Prior year Defeasance of Debt

In prior years, the City defeased certain revenue and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On June 30, 2013, $35,805 of such bonds outstanding are considered defeased.

NOTE 8 – **EMPLOYEE RETIREMENT PLANS**

Defined Benefit Plan Descriptions

The City of Sacramento provides defined benefit retirement benefits through the California Public Employees' Retirement System (CalPERS) and the Sacramento City Employees' Retirement System (SCERS). CalPERS is an agent multiple-employer public employee defined benefit pension plan. SCERS is a single-employer defined benefit pension plan.

NOTE 8 – **EMPLOYEE RETIREMENT PLANS (Continued)**

CalPERS

All full-time and certain part-time City employees hired after January 28, 1977 and City safety employees, regardless of date of hire, are eligible to participate in CalPERS. CalPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. In September 2012, the California Public Employees' Pension Reform Act (PEPRA) was enacted. Under its provisions, employees hired on or after January 1, 2013 have a lower cost-pension benefit formula than employees hired before that date. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office at 400 Q Street, Sacramento, CA 95814. A separate report for the City's plan within CalPERS is not available.

SCERS

All full-time, non-safety employees hired before January 29, 1977, are eligible to participate in SCERS. SCERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

The City reports SCERS as a pension trust fund. SCERS issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing the City of Sacramento Department of Finance, 915 I Street, 4th Floor, Sacramento, CA 95814. The following is a summary of significant accounting policies:

Basis of Accounting – SCERS' financial statements are prepared using the accrual basis of accounting. Member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments – Investments are reported at fair value, except mortgage loans which are recorded at amortized cost. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Funding Policy

Participants are required to contribute a percentage of their annual covered salary, as follows:

CalPERS	- Miscellaneous	6.75 – 7%
CalPERS	- Safety	9 – 12
SCERS	- (varies with entry age)	3 – 10

The City makes the following participant contributions on their behalf and for their account (percent of annual covered payroll):

CalPERS	- Certain miscellaneous employees	3%
CalPERS	- Safety	9

The City is required to contribute at actuarially determined rates. Rates for the fiscal year ended June 30, 2013 were as follows (percent of annual covered payroll):

CalPERS	- Miscellaneous	12.844%
CalPERS	- Safety	27.781
SCERS		404.9

NOTE 8 – **EMPLOYEE RETIREMENT PLANS (Continued)**

Annual Pension Cost

CalPERS

For the fiscal year ended June 30, 2013, the City's annual CalPERS pension cost of $47,722 was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2010, actuarial valuation, using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service ranging from 3.55% to 14.45%. Both (a) and (b) included an inflation component of 3% and an annual production growth of .25%. The actuarial value of CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 15 year period. Unfunded actuarial accrued liabilities and excess assets as of June 30, 2010 are being amortized, using the level percentage of payroll method, over a closed period that depends on the plan's date of entry into CalPERS. The remaining amortization period at June 30, 2010 was 29 years for the safety employees' plan and 25 years for the miscellaneous employees' plan. Subsequent plan amendments are amortized as a level percentage of projected payrolls over a closed 20-year period. Annual gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 6% of unamortized gains and losses each year.

SCERS

For the fiscal year ended June 30, 2013, the City's annual SCERS pension cost of $10,573 was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 6.50% investment rate of return (net of administrative expenses), (b) 3% projected annual salary increases, (c) an inflation component of 3%, and (d) 3.25% per year social security wage base adjustments. The actuarial value of the assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. Unfunded liabilities are being amortized over an open 15 year period, as a level dollar amount of projected payrolls.

Three-Year Trend Information

CalPERS – Miscellaneous

Fiscal Year	Annual Pension Cost (APC) (in millions)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2011	$18.7	100%	$ -
June 30, 2012	18.8	100	-
June 30, 2013	20.1	100	-

CalPERS – Safety

Fiscal Year	Annual Pension Cost (APC) (in millions)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2011	$25.6	100%	$ -
June 30, 2012	29.7	100	-
June 30, 2013	27.6	100	-

NOTE 8 – **EMPLOYEE RETIREMENT PLANS (Continued)**

Three-Year Trend Information (Continued)

SCERS

Fiscal Year	Annual Pension Cost (APC) (in millions)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2011	$10.5	100%	$ -
June 30, 2012	10.4	100	-
June 30, 2013	10.6	100	-

Funded Status

The funded status of the plans as of the most recent actuarial valuation dates is as follows (dollars in millions):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	(Overfunded) Unfunded AAL (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	(Overfunded) Unfunded AAL as a % of Covered Payroll {(b) - (a)}/(c)
CalPERS - Miscellaneous						
6/30/12	$ 709	$ 861	$ 152	82%	$ 151	101%
CalPERS - Safety						
6/30/12	1,077	1,313	236	82%	108	219%
SCERS						
6/30/13	292	382	90	76%	2	3,949%

The actuarial assumptions used by CalPERS for the June 30, 2012 valuation are the same as those used to determine the annual required contributions for the fiscal year ended June 30, 2013, except for price inflation which was reduced from 3% to 2.75% in the June 30, 2011 and June 30, 2012 valuations. Lowering the price inflation assumption resulted in a lower investment return assumption of 7.5% and a lower payroll growth assumption of 3%. The assumptions for the SCERS plan are the same as those used to determine the annual required contributions for the fiscal year ended June 30, 2013, except unfunded liabilities are being amortized over an open 14 year period, as a level dollar amount of projected payrolls.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of the assets are increasing or decreasing over time relative to AALs for benefits.

Defined Contribution Plan

The City also provides defined contribution retirement benefits through the City of Sacramento 401(a) Money Purchase Plan (the Plan). The Plan is administered by the International City Management Association Retirement Corporation. Plan provisions and contribution requirements are established and may be amended by City Council. Unrepresented exempt and certain represented employees may elect to participate. Participating employees of the aforementioned groups are required to contribute 5% and 2%, and the City contributes 4% and 2%, respectively, of covered salary. For the year ended June 30, 2013, employees contributed $2,397 and the City contributed $2,045 to the Plan.

NOTE 9 – **POST-EMPLOYMENT HEALTH AND DENTAL CARE BENEFITS**

Plan Description

The City provides contributions for post-employment medical, dental and vision benefits to employees who retire directly from the City and their dependents through a single-employer defined benefit OPEB plan (the plan). Participants have the choice of enrolling in one of several health plans, one of two dental plans and one vision plan. To be eligible for the City paid benefits, the employee must retire with a minimum of ten full years of active service and be 55 or 50 years of age for miscellaneous and safety employees, respectively. Participants with a minimum of twenty years of service are eligible for 100% of the maximum benefit. Participants with more than fifteen years but less than twenty years of service are eligible for 75% of the maximum benefit. Participants with more than ten years but less than fifteen years of service are eligible for 50% of the maximum benefit. The post-retirement health care and dental care employer contributions range from $300 and $747 per month per participant, which covers between 16% and 100% of the benefit cost, depending on the choice of plan and number of dependents. The post employment health, dental and vision care contributions are defined by labor agreements and resolutions approved by the City Council. The City does not issue a separate stand-alone financial report for its OPEB plan.

Funding Policy

The City is currently funding the OPEB plan on a pay-as-you-go basis. However, the City Council authorized the City Manager to establish an OPEB trust fund with CalPERS with an initial one-time deposit of $2,000, made from the General Fund on January 10, 2014. Additional one-time deposits may be made in the future. These financial statements assume that pay-as-you-go funding will continue.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the City, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The current ARC rate is 16.3 percent of annual covered payroll. The following table shows the components of the City's annual OPEB cost for the year, the amount contributed to the plan, and the changes in the City's net OPEB obligation.

Annual required contribution (ARC)	$ 42,744
Interest on beginning OPEB liability	4,499
Adjustment to the ARC	(7,864)
Annual OPEB cost	39,379
Contributions made	(12,843)
Increase in net OPEB obligation	26,536
Net OPEB obligation - Beginning of year	105,203
Net OPEB obligation - End of year	$ 131,739
Covered payroll (active plan members)	$ 261,768
UAAL as a percentage of covered payroll	170.9%

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current fiscal year and the two preceding years were as follows:

Fiscal year ended	Annual OPEB Cost	Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	$ 31,394	$ 11,891	38%	$ 80,203
6/30/2012	37,191	12,191	33	105,203
6/30/2013	39,379	12,843	33	131,739

NOTE 9 – **POST-EMPLOYMENT HEALTH AND DENTAL CARE BENEFITS (Continued)**

Funding Status and Progress

As of June 30, 2012, the most recent actuarial valuation date of the plan was 0% funded. The actuarial accrued liability was $447,406 and the actuarial value of assets was $0 resulting in an unfunded actuarial accrued liability (UAAL) of $447,406. The annual covered payroll was $261,768 and the ratio of the unfunded actuarial accrued liability to the annual covered payroll was 170.9%. The Schedule of Funding Progress is presented as RSI following the notes to the financial statements.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into future. Examples of these estimates and assumptions include future employment trends, mortality and the health care cost trend. Amounts are determined regarding the funded status of the plan, and the annual required contribution of the employer are subject to the continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

In the June 30, 2011, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions utilized a 3% inflation rate, a 4.25% discount rate and a medical trend rate of 8.7% for fiscal year 2014, reduced by decrements of 0.5% each year to an ultimate rate of 5%. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2011 was 26 years. The assumptions in the June 30, 2012, actuarial valuation were the same as those used in the June 30, 2011, valuation, except the remaining amortization period was 25 years and the discount rate used was 4.50%, reflecting the City's plan to establish an OPEB trust with an initial $2,000 deposit.

NOTE 10 **– FUND EQUITY AND EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

At June 30, 2013, the government-wide statement of net position reported restricted net position of $202,388 in governmental activities. Of this amount, $15,494 is restricted for enabling legislation.

The Culture and Leisure Fund, a special revenue fund, had a deficit fund balance of $3,576 as of June 30, 2013. The Golf program within this fund has a deficit balance of $5,967. It is anticipated that this deficit will be funded by future operating subsidies and surpluses.

The Marina Fund, an enterprise fund, had a deficit net position of $2,587 as of June 30, 2013. The deficit is the result of declining revenues due to economic conditions and debt obligations related to the South Basin renovation. It is anticipated that this deficit will be funded by future operating subsidies and surpluses.

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NOTE 11 – **INTERFUND TRANSACTIONS**

Interfund Transfers

Interfund transfers report the nonreciprocal contribution of resources from one fund to another. The following is a summary of transfers for the fiscal year ended June 30, 2013:

	Description	Transfers In	Transfers Out	Net Transfers
Governmental Activities:				
General Fund	Debt service	$ 2,030	$ (22,447)	$ (20,417)
General Fund	In-lieu tax transfers	26,049	-	26,049
General Fund	Program support	462	(1,083)	(621)
Capital Grants Fund	Program support	-	(48)	(48)
Other Governmental Funds	Debt service	25,092	(3,682)	21,410
Other Governmental Funds	Program support	1,533	(190)	1,343
Internal Service Funds	Debt service	419	(51)	368
Internal Service Funds	Program support	2	(466)	(464)
Adjustment for transfer of capital assets from governmental funds to enterprise funds	Transfer of capital assets	-	(8,448)	(8,448)
Total governmental activities		55,587	(36,415)	19,172
Business-type Activities:				
Water Fund	Debt service	-	(38)	(38)
Water Fund	In-lieu tax transfers	-	(9,413)	(9,413)
Water Fund	Program support	18	(450)	(432)
Wastewater Fund	Debt service	-	(50)	(50)
Wastewater Fund	In-lieu tax transfers	-	(2,623)	(2,623)
Wastewater Fund	Program support	4	-	4
Storm Drainage Fund	Debt service	-	(84)	(84)
Storm Drainage Fund	In-lieu tax transfers	-	(3,863)	(3,863)
Storm Drainage Fund	Program support	6	-	6
Solid Waste Fund	Debt service	-	(121)	(121)
Solid Waste Fund	In-lieu tax transfers	-	(6,484)	(6,484)
Solid Waste Fund	Program support	210	-	210
Community Center Fund	In-lieu tax transfers	-	(1,468)	(1,468)
Other Enterprise Funds	Debt service	-	(1,068)	(1,068)
Other Enterprise Funds	In-lieu tax transfers	-	(2,198)	(2,198)
Other Enterprise Funds	Program support	2	-	2
Adjustment for transfer of capital assets from governmental funds to enterprise funds	Transfer of capital assets	8,448	-	8,448
Total business-type activities		8,688	(27,860)	(19,172)
Total government-wide statements		$ 64,275	$ (64,275)	$ -

NOTE 11 – **INTERFUND TRANSACTIONS (Continued)**

Interfund Balances

Interfund balances report lending transactions between funds. The following is a summary of interfund balances as of June 30, 2013:

	Receivables	Payables	Interfund Balances
Measure U Fund	$ -	$ (721)	$ (721)
Capital Grants Fund	-	(6,058)	(6,058)
Other Governmental Funds	-	(10,376)	(10,376)
Internal Service Funds	23,787	-	23,787
Total governmental activities	23,787	(17,155)	6,632
Community Center Fund	-	(6,632)	(6,632)
Total business-type activities	-	(6,632)	(6,632)
Total	$ 23,787	$ (23,787)	$ -

$23,787 was loaned by the City's internal service funds to cover short-term operating deficits (approximately $9,823) and to assist in development of community resources (approximately $13,964).

$721 was borrowed by the Measure U Fund and $6,058 was borrowed by the Capital Grants Fund for short term loans.

$10,376 was borrowed by various other governmental funds for short term loans (approximately $3,044), and development of community resources (approximately $7,332).

$6,632 was borrowed by the Community Center Fund for development of community resources.

NOTE 12 **– RISK MANAGEMENT**

The City is exposed to various risks of loss related to following: worker's compensation; torts including errors and omissions; employment practices; theft of, damage to and destruction of assets; and natural disasters for which the City self-insures and/or carries commercial insurance. Earthquake damage is not included in the property insurance coverage carried by the City.

The Risk Management Internal Service Fund self-insures the first $2,000 of each workers' compensation claim. Excess worker's compensation insurance is purchased through the California State Association of Counties' Excess Insurance Authority and it provides statutory coverage over the City's $2,000 self-insured retention. The fund self-insures the first $2,000 of general and auto liability claims plus claim costs that exceed commercial insurance coverage. Commercial insurance for general and automobile liability claims provides $30,000 in coverage, with a $1,000 loss corridor deductible, for claims over the City's self-insured retention.

Liabilities are estimated based on recommendations from an independent actuarial evaluation. Liabilities are based on estimated ultimate cost of settling claims, including effects of inflation and other social and economic factors. Estimated liability is then discounted by the City's expected rate of return and anticipated timing of cash outlays to determine the present value of the liability. For the fiscal year ended June 30, 2013, the expected rate of return was 3 percent. Settled claims have not exceeded insurance coverage for each of the past three fiscal years. The only change in insurance coverage during the fiscal year ended June 30, 2013 was an increase in the self-insured retention in the general and automobile policy from $2,000 to $2,000 with a $1,000 loss corridor deductible.

All funds of the City participate in the program and make payments to the Risk Management Internal Service Fund based on estimates of the amounts needed to pay operating costs, insurance premiums, and prior and current year claims. At June 30, 2013, the Risk Management Internal Service Fund had a net position of $40,700.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, economic and social factors, and trends in damage awards. Accordingly, claims are reevaluated periodically to consider the effects of these factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

Changes in the Risk Management Internal Service Fund's claims liability for the past two fiscal years are summarized as follows:

	2013	2012
Accrued claims and judgements, July 1	$ 55,933	$ 53,938
Incurred claims and adjustment expenses	16,445	17,249
Claim payments	(12,528)	(15,254)
Accrued claims and judgements, June 30	$ 59,850	$ 55,933

NOTE 13 – **COMMITMENTS AND CONTINGENCIES**

Commitment of Enterprise Fund Revenues

Revenues of the Wastewater and Storm Drainage Enterprise Funds are pledged to the payment of principal and interest on the State Water Resources Control Board Notes Payable. Revenue of the Wastewater Enterprise Fund is pledged to the payment of principal and interest on the Wastewater Revenue Bonds, Series 2013. Revenue of the Water Enterprise Fund is pledged to the payment of principal and interest on the California Department of Public Health Notes Payable and the Water Revenue Bonds, Series 2013. Revenue of the Storm Drainage Enterprise Fund is pledged to the payment of principal and interest on the California Infrastructure and Economic Development Bank Loan. See note 7 for more information.

Construction and Other Commitments

The City has commitments of $229,203 for contracts awarded but not completed as of June 30, 2013. The following table shows the distribution of those commitments among major and nonmajor funds.

Governmental Activities:		**Business-type Activities:**	
General Fund	$ 2,511	Water Fund	$ 141,312
Capital Grants Fund	58,533	Wastewater Fund	2,088
Other governmental funds	17,562	Storm Drainage Fund	3,069
Internal service funds	1,931	Solid Waste Fund	417
		Community Center Fund	420
		Other enterprise funds	1,360
Total governmental activities	$ 80,537	Total business-type activities	$ 148,666

The major contracts outstanding are $127,439 for water treatment plant upgrades and replacements, $53,713 for road and interchange improvements on Consumnes Boulevard, $7,794 for construction of the 6th Street overcrossing in the Railyards development project, $6,721 for the residential water meter retrofit program, and $3,235 for the intermodal transportation facility.

Contingent Liabilities

The City participates in a number of federal, state and local grant programs, the principal of which is the Federal Highway Planning and Construction program. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for earlier years and the year ended June 30, 2013 have not been completed in all cases; accordingly, final determination of the City's compliance with applicable grant requirements may be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City believes any such claims would be immaterial to the City's financial position at June 30, 2013. Receipt of these grant revenues is not assured in the future.

Litigation

Various claims and lawsuits are pending against the City. As discussed in Note 12, the City is primarily self-insured and has accrued a liability for estimated claims outstanding. Although the outcome of these claims and lawsuits is not presently determinable, management, after consultation with legal counsel, is of the opinion that final outcome of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 13 – **COMMITMENTS AND CONTINGENCIES (Continued)**

Closure and Postclosure Care Cost

The City has several landfill sites which have stopped accepting waste, have been covered, and are closed. State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at these sites after closure. $20,405 has been reported as the City's estimate of postclosure costs at June 30, 2013. The estimate is based on current cost and may change due to inflation or deflation, technology, or applicable laws and regulations. The City received approval from state regulators to fund the postclosure costs, along with cost increases due to inflation, with user charges for solid waste disposal.

Pollution Remediation Obligations

A pollution remediation obligation is an obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities. The City is responsible for pollution remediation activities at several sites that have soil contaminated with petroleum, hydrocarbons, and/or metals. Regulatory agencies providing oversight of the City's pollution remediation obligations and activities include the State of California Regional Water Quality Control Board, the State of California Department of Toxic Substance Control, and the Sacramento County Department of Environmental Management. The estimated obligation was $680 at June 30, 2012 and $603 at June 30, 2013. Pollution remediation outlays totaled approximately $172 for the fiscal year ended June 30, 2013. Pollution remediation obligations are measured based on outlays expected to be incurred to settle all estimable remediation efforts. Pollution remediation obligations are measured at the current value of reasonable and supportable assumptions about future events that may affect the eventual settlement of the obligations. Pollution remediation obligations are measured using the expected cash flow technique, which measures the obligation as the sum of probability-weighted amounts in a range of possible cash flows. Estimates are based on all currently available information, as well as the facts and circumstances of each situation, but may change due to price changes, changes in laws or regulations, changes in remediation technologies, or as additional information become available. Estimated recoveries from other parties that are included in the calculation of the City's pollution remediation obligations total $134.

NOTE 14 – **JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS**

JOINT VENTURES

Sacramento Housing and Redevelopment Agency

The City is a participant with the County of Sacramento in the Sacramento Housing and Redevelopment Agency (SHRA). From July 1, 2011 to January 31, 2012, SHRA consisted of the housing authorities of the City and County and the redevelopment agencies of the City and County. Effective February 1, 2012, all redevelopment agencies in California were officially dissolved by an act of the Legislature. Starting February 1, 2012, SHRA consisted of only the housing authorities of the City and County.

SHRA is a stand-alone agency, governed by the County Board of Supervisors over County housing and, through January 31, 2012, redevelopment activities, and the City Council over City housing and, through January 31, 2012, redevelopment activities. Although the City does not have an equity interest in SHRA, it does have an ongoing financial interest. Based upon the approval process for Sacramento Housing Authority and, through January 31, 2012, Sacramento Redevelopment Agency activities, the City has the ability to directly influence SHRA to undertake projects for the citizenry of the City. Because the City's primary government does not have an equity interest in SHRA, SHRA's financial information is not included in these financial statements. Separately issued financial statement may be obtained from the Sacramento Housing and Redevelopment Agency, 801 12th Street, Sacramento, California, 95814.

Upon the dissolution of redevelopment agencies in California, the City elected to become the successor agency for the Sacramento Redevelopment Agency activities. More information about the Successor Agency Trust Fund in the City's financial statements can be found in Note 15 – Successor Agency Trust Fund.

NOTE 14 – **JOINTLY GOVERNED AND RELATED ORGANIZATIONS (Continued)**

Sacramento Public Library Authority

The City is a participant with the County of Sacramento and the cities of Citrus Heights, Elk Grove, Galt, Isleton and Rancho Cordova in the Sacramento Public Library Authority (Library), a joint powers agency created to provide library services to the residents of the participating municipalities. The Library is governed by a board made up of five County appointees and various numbers of appointees from each city, depending upon population. As of June 30, 2013, five of fourteen members of the Library board were appointed by the City. The current joint powers agreement was effective beginning July 1, 2007. After June 30, 2010, any party may withdraw from the Authority upon no less than one year's written notice. Upon withdrawal a party shall retain ownership of those capital facilities to which it holds title. The City is committed to fund annual contributions to operate library branches in the City. The City's General Fund contributions for the fiscal year ended June 30, 2013, were $7,130. The City also contributed the use of its library facilities to the Library. In order to provide funding for additional services and hours in City libraries, the City also levies and passes through to the Library a parcel tax which totaled $4,731 for the fiscal year ended June 30, 2013. Financial statements may be obtained from the Sacramento Public Library Authority, 828 I Street, Sacramento, California, 95814.

Sacramento Regional Fire/EMS Communication Center

The City is a participant with Sacramento Metropolitan Fire District and other local fire agencies in the Sacramento Regional Fire/EMS Communication Center (SRFECC), a fire dispatch center. SRFECC provides fire protection and emergency medical service dispatching for 1,000 square miles and 1.3 million residents in Sacramento and Placer Counties. The City provided $2,730 of support to SRFECC during the fiscal year ended June 30, 2013. Financial statements may be obtained from the Sacramento Regional Fire/EMS Communication Center, 10230 Systems Parkway, Sacramento, California, 95827.

Northern California Regional Public Safety Training Authority

The City is a participant with the County of Sacramento, the Los Rios Community College District and the Regional Fire and Rescue Authority in the Northern California Regional Public Safety Training Authority (NCRPSTA) which operates the Northern California Regional Public Safety Training College located at McClellan Park. During the fiscal year ended June 30, 2013, the City provided $451 of annual support to the NCRPSTA. The City also subleases space from the NCRPSTA at the McClellan Park site for various public safety emergency services offices. Rent payments during the fiscal year ended June 30, 2013 were $564. The City also committed during the fiscal year to provide $1,000 of financing to provide upgrades to the firing ranges at the NCRPSTA facilities. Financial statements may be obtained from the NCRPSTA Administrative Offices, 2409 Dean Street, Suite 119, McClellan, California, 95652.

Regional Fire and Rescue Training Authority

The City is a participant with the Sacramento Metropolitan Fire District and the California Governor's Office of Emergency Services in the Regional Fire and Rescue Training Authority which provides training for fire and rescue personnel throughout the region as well as operating the California Regional Fire Academy. During the fiscal year ended June 30, 2013, the City provided general support of $45, paid $79 for training courses for City staff and provided staff support. Financial statements may be obtained from the Regional Fire and Rescue Training Authority Business Office, 9320 Tech Center Drive, Sacramento, CA 95826.

NOTE 14 – **JOINTLY GOVERNED AND RELATED ORGANIZATIONS (Continued)**

JOINTLY GOVERNED ORGANIZATIONS WITH RELATED PARTY TRANSACTIONS

The City participates in several jointly governed organizations for which it appoints a minority of board members. The City may also provide minor financial interest in or responsibility to the organizations. The following organizations had financial transactions with the City during the fiscal year ended June 30, 2013:

The City provided general support totaling $74 to the Regional Human Rights/Fair Housing Commission. The City terminated its participation in this jointly governed organization in the fiscal year ended June 30, 2014.

The City provided $70 in annual support and $33 in project management fees to the Regional Water Authority.

The City provided $62 of annual support to the Sacramento Area Council of Governments.

The City processed payroll for the Sacramento Area Flood Control Agency (SAFCA) and received an administrative fee for the service. In addition, the City agreed to provide $1,750 to SAFCA as part of cost sharing for Union House Creek improvements.

The City paid $185 for services provided related to safe neighborhood and gang violence reduction programs to the Sacramento Employment and Training Agency.

The City provided $110 in annual support to the Sacramento Groundwater Authority.

NOTE 15 – **SUCCESSOR AGENCY TRUST FUND**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) which dissolved all redevelopment agencies in the State of California. The Bill provided that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. Successor agencies are allocated property tax revenue in an amount necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011), all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entity as of February 1, 2012.

On January 31, 2012, the City Council elected to become the successor agency for the former Redevelopment Agency of the City of Sacramento (Agency) in accordance with the Bill. Also on January 1, 2012, the City Council elected not to serve as the successor agency for the former redevelopment agency’s housing assets and functions, but instead designated the City’s Housing Authority to serve as the successor housing agency.

Prior to February 1, 2012, California Redevelopment Law provided tax increment financing as a source of revenue to redevelopment agencies to fund redevelopment activities. Once a redevelopment area was adopted, the former Agency could only receive tax increment to the extent that it could show on an annual basis that it has incurred indebtedness that must be repaid with tax increment. Due to the nature of redevelopment financing, the former Agency liabilities exceeded its assts. Therefore, the Agency historically carried a deficit, which was expected to be reduced as future tax increment revenues were received and used to repay its outstanding long-term debt. This deficit was transferred to the successor agency on February 1, 2012. At June 30, 2013, the successor agency had a deficit of $100,909 which will be eliminated with future property tax revenue distributions from the Redevelopment Property Tax Trust Fund administered by the County Auditor-Controller.

NOTE 15 – **SUCCESSOR AGENCY TRUST FUND (Continued)**

Assembly Bill 1484, enacted on June 27, 2012 required two due diligence reviews to be performed to determine if successor agencies held unobligated cash balances available for distribution to affected taxing entities. The State Department of Finance concurred with the balances identified by the City as available for distribution to the affected taxing entities. A payment of $4,710 was transferred to the County Auditor-Controller on September 16, 2013 for distribution to the taxing entities, as determined during the due diligence reviews, and pursuant to HSC section 34179.6(f).

The OPEB liability reported in the private-purpose trust fund is an allocation of the SHRA OPEB liability for the former redevelopment agency employees.

Capital Assets

The following is a summary of changes in capital assets:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated/amortized				
Land	$ 46,948	$ -	$ -	$ 46,948
Depreciable/amortizable capital assets				
Buildings and improvements	17,519	-	-	17,519
Less accumulated depreciation/amortization for:				
Buildings and improvements	(2,166)	(438)	-	(2,604)
Depreciable/amortizable capital assets, net	15,353	(438)	-	14,915
Total activities capital assets, net	$ 62,301	$ (438)	$ -	$ 61,863

Long-term Debt

The following is a summary of changes in long-term debt:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
1998 Merged Downtown TABS, Series A	$ 8,850	$ -	$ (4,320)	$ 4,530	$ 4,530
1998 Merged Downtown TX TABS, Series B	2,860	-	(1,385)	1,475	1,475
1998 Merged Downtown TX TABS, Series C	4,905	-	(2,395)	2,510	2,510
2000 Merged Downtown, Series A	1,455	-	(710)	745	745
Subtotal, revenue and other bonds	$ 18,070	$ -	$ (8,810)	$ 9,260	$ 9,260

NOTE 15 – **SUCCESSOR AGENCY TRUST FUND (Continued)**

Long-term Debt (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes Payable:					
1993 Merged Downtown TABS	$ 12,668	$ -	$ (395)	$ 12,273	$ 373
1999 Oak Park Refunding	2,135	-	(145)	1,990	155
2002 Merged Downtown TABS	10,920	-	(1,890)	9,030	1,965
2002 Merged Downtown Master Lease	3,825	-	(1,875)	1,950	1,950
2002 Stockton Blvd Master Lease	505	-	(75)	430	80
2003 Alkali Flat TE TABS, Series C	5,155	-	(370)	4,785	385
2003 Del Paso TE TABS, Series A	6,066	-	-	6,066	-
2003 North Sacramento TE TABS, Series C	4,610	-	(80)	4,530	80
2005 Del Paso Master Lease	1,455	-	(155)	1,300	160
2005 Del Paso Refunding	5,965	-	(630)	5,335	660
2005 Merged Downtown Master Lease Refunding	8,885	-	(20)	8,865	25
2005 Merged Downtown TE, Series A	83,528	-	-	83,528	-
2005 Merged Downtown TX, Series B	32,720	-	(415)	32,305	435
2005 North Sacramento Master Lease Refund	4,345	-	(155)	4,190	160
2005 Oak Park Master Lease Refunding	1,210	-	(90)	1,120	85
2005 Oak Park TE, Series A	8,844	-	-	8,844	-
2005 Oak Park TX, Series B	7,855	-	(785)	7,070	820
2005 Richards Master Lease Refunding	4,995	-	(175)	4,820	190
2006 65th Street TE Master Lease, Series A	1,605	-	(35)	1,570	35
2006 65th Street TX Master Lease, Series B	3,890	-	(75)	3,815	75
2006 Del Paso TE, Series A	5,260	-	(60)	5,200	60
2006 Del Paso TX, Series B	2,450	-	(125)	2,325	135
2006 North Sacramento TE Master Lease, Series A	485	-	(10)	475	10
2006 North Sacramento TX Master Lease, Series B	4,545	-	(85)	4,460	90
2006 Oak Park Refunding TE, Series A	8,460	-	(630)	7,830	655
2006 Stockton Blvd Master Lease	1,990	-	-	1,990	-
2008 BOA Public Capital Corporation	2,711	-	(113)	2,598	118
2009 Army Depot TX Swap	3,133	-	(59)	3,074	62
2009 Army Depot TE Swap	6,700	-	(145)	6,555	155
2009 River District TX Swap	2,932	-	(56)	2,876	58
2009-10 SERAF Borrowing	4,000	-	-	4,000	1,333
Boating and Waterways Loan	605	-	(75)	530	79
Globe Mills	4,675	-	(197)	4,478	209
City of Sacramento CIEDB - Utilities/Detention Basin	1,371	-	(35)	1,336	36
Franklin Blvd Redevelopment Area	196	-	(44)	152	47
North Sacramento BOA Line of Credit	5,400	-	(5,400)	-	-
North Sacramento CIEDB Loan	3,726	-	(108)	3,618	111
Railyards Parking Loan	340	-	(35)	305	-
Stockton Blvd CIEDB Loan	3,120	-	(92)	3,028	95
Stockton Blvd Line of Credit	6,400	-	(6,400)	-	-
Subtotal, notes payable	279,680	-	(21,034)	258,646	10,886
Total, long-term debt	$ 297,750	$ -	$ (29,844)	$ 267,906	$ 20,146

NOTE 15 – **SUCCESSOR AGENCY TRUST FUND (Continued)**

Future Debt Service Requirements

The following tables disclose the annual debt service requirements outstanding as of June 30, 2013:

Fiscal Year Ending June 30,	Bonds Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2014	$ 9,260	$ 282	$ 10,886	$ 9,100
2015	-	-	13,810	15,963
2016	-	-	14,063	15,714
2017	-	-	12,960	15,396
2018	-	-	13,312	15,045
2019 - 2023	-	-	82,249	45,446
2024 - 2028	-	-	53,220	65,794
2029 - 2033	-	-	41,283	57,490
2034 - 2038	-	-	16,863	10,702
Totals	$ 9,260	$ 282	$ 258,646	$ 250,650

NOTE 16 – **SHORT-TERM DEBT**

The City issued $36,585 of Tax and Revenue Anticipation Notes (TRANs) on July 19, 2012, and redeemed them on June 28, 2013. The notes were issued to supplement City General Fund cash flows until taxes and other revenues were collected. Short-term activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Tax and Revenue Anticipation Notes	$ -	$ 36,585	$ (36,585)	$ -

NOTE 17 – **SPECIAL ITEMS**

The City recognized three special item transactions during the fiscal year ended June 30, 2013. A special item was recognized in the General Fund for surplus assessment district redemption fund balances, transferred from agency funds after declared surplus by City Council in Resolution 2013-0125 totaling $8,534. A special item was recognized in the new Economic Development Fund for the Master Owner Participation Agreement (MOPA) balance of $22,674 related to the sale of the Sacramento Sheraton Grand Hotel. The MOPA balance was included as a liability of the private purpose trust fund as of June 30, 2012 and transferred to the City after City Council assignment of the MOPA in the current fiscal year. A special item for forgiveness of $5,000 of the Crocker Art Museum Association loan receivable, approved by the City Council in Resolution 2013-1444, is recognized in the government-wide statement of activities.

NOTE 18 – **SERVICE CONCESSION ARRANGEMENT FOR CITY GOLF COURSES**

In the prior fiscal year, the City entered into agreement number 2011-1245 with Morton Golf LLC (Morton) under which Morton will operate and collect user fees from City golf courses over the next 10 years. Morton will pay the City minimum installment payments plus a percentage of gross revenues over the 10 year period. The present value of the installment payments was estimated to be $10,634. Morton is required to operate and maintain the golf courses in accordance with the agreement. The City reports a deferred inflow and loan receivable of $9,039 in the government-wide statement of net position as of June 30, 2013.

NOTE 19 – **RECLASSIFICATIONS AND RESTATEMENTS**

Capital Asset Adjustments

The beginning net position of the City's governmental activities has been restated by $119,063 to remove the Cal EPA building and land capitalized in error in fiscal year 2001. The building was financed by conduit debt issued by the Sacramento City Financing Authority and leased to, and capitalized by, the State of California. The conduit debt is not reported on the City's statement of net position because the bonds are secured solely by lease payments from the State.

Fund Reclassifications

Two impact fee programs, previously reported as components of the investment trust fund, have been reclassified into the Financing Plans Fund, resulting in a $74 restatement of beginning fund balance, fiduciary net position, and net position of governmental activities.

In addition, the beginning fund balances of two impact fee programs totaling $5,900 and the brownfields program of $1,390 have been reclassified from the Transportation and Development Fund to the Financing Plans Fund and the Economic Development Fund, respectively. These reclassifications do no change net position reported in the government-wide statements because they occurred between nonmajor governmental funds.

Net position reported in the government-wide statements as of June 30, 2012, have been restated as follows:

	Governmental Activities
Net position, as of June 30, 2012, as originally reported	$ 1,692,787
Restatements:	
Captial asset adjustment	(119,063)
Fund reclassifications	74
Total restatements	(118,989)
Net position, as of June 30, 2012, as restated	$ 1,573,798

Fund balance of governmental funds, as of June 30, 2012, has been restated as follows:

	Other Governmental Funds
Fund balances, as of June 30, 2012, as originally reported	$ 208,044
Restatements - Fund reclassifications	74
Fund balances, as of June 30, 2012, as restated	$ 208,118

NOTE 19 – **RECLASSIFICATIONS AND RESTATEMENTS (Continued)**

Fiduciary net position, as of June 30, 2012, has been restated as follows:

	Investment Trust Funds
Fiduciary net position, as of June 30, 2012, as originally reported	$ 144,961
Restatements - Fund reclassifications	(74)
Fiduciary net position, as of June 30, 2012, as restated	$ 144,887

NOTE 20 – **SUBSEQUENT EVENT**

On July 18, 2013, the City issued $32,630 of Tax and Revenue Anticipation Notes (TRANs), bearing interest at a rate of 2% per annum, maturing on June 27, 2014. The notes were issued to supplement City General Fund cash flows until taxes and other revenues are collected.

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Required Supplementary Information

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City of Sacramento
Required Supplementary Information
Schedule of Funding Progress (Unaudited)
Pension Plans
(in millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	(Overfunded) Unfunded AAL (b) – (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	(Overfunded) Unfunded AAL as a % of Covered Payroll {(b)-(a)}/(c)
CalPERS - Miscellaneous						
6/30/10	$ 607	$ 751	$ 144	81%	$ 171	84%
6/30/11	660	819	159	81	165	96
6/30/12	709	861	152	82	151	101
CalPERS - Safety						
6/30/10	987	1,183	196	83	111	178
6/30/11	1,035	1,249	214	83	109	196
6/30/12	1,077	1,313	236	82	108	219
SCERS						
6/30/11	297	397	100	75	4	2,420
6/30/12	294	389	95	76	3	3,211
6/30/13	292	382	90	76	2	3,949

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City of Sacramento
Required Supplementary Information
Schedule of Funding Progress (Unaudited)
Other Post Employment Benefits
(in millions)

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Actuarial Valued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2009	$ -	$ 376	$ 376	0.00%	$ 275	136.7%
6/30/2011	-	440	440	0.00	254	173.4
6/30/2012	-	447	447	0.00	262	170.9

Notes to the Required Supplementary Information

1. This information is intended to help users assess the OPEB funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits and make comparisons with other public employers.

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OTHER GOVERNMENTAL FUNDS

Other governmental funds are nonmajor funds reported in the other governmental funds column of the governmental funds financial statements and include:

SPECIAL REVENUE FUNDS are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds are generally required by statute, charter or ordinance to finance specific governmental functions. The individual funds are listed in the special revenue funds section of the CAFR.

OTHER DEBT SERVICE FUNDS are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, or that are being accumulated for principal and interest maturing in future years. The individual funds are listed in the other debt service funds section of the CAFR.

OTHER CAPITAL PROJECTS FUNDS are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for governmental capital assets. The individual funds are listed in the other capital projects funds section of the CAFR.

PERMANENT FUNDS are used to account for and report resources that are held by the City which are legally restricted to the extent that only earnings may be used for purposes that support City programs. The individual funds are listed in the permanent funds section of the CAFR.

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City of Sacramento
Other Governmental Funds
Combining Balance Sheet
June 30, 2013
(in thousands)

	Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS					
Cash and investments held by City	$ 120,235	$ 4,081	$ 74,179	$ 4,605	$ 203,100
Cash and investments held by fiscal agent	29	273	-	-	302
Securities lending assets	7	-	5	4	16
Receivables, net:					
Taxes	1,658	-	-	-	1,658
Accounts	2,556	-	1,583	-	4,139
Loans	1,327	5,368	5,000	-	11,695
Intergovernmental	16,165	45,658	-	-	61,823
Interest	108	10	239	13	370
Prepaid items	44	-	-	-	44
Restricted assets:					
Cash and investments held by City	600	819	8,723	-	10,142
Cash and investments held by fiscal agent	841	15,499	-	-	16,340
Total assets	$ 143,570	$ 71,708	$ 89,729	$ 4,622	$ 309,629
LIABILITIES AND FUND BALANCES					
Liabilities:					
Securities lending obligations	$ 467	$ -	$ 1,003	$ 24	$ 1,494
Accounts payable	7,282	-	4,749	56	12,087
Accrued payroll	131	-	-	-	131
Accrued claims and judgements	1,601	-	-	-	1,601
Due to other funds	3,044	-	-	-	3,044
Deposits	890	819	501	-	2,210
Deferred revenue	6,749	50,507	5,619	-	62,875
Advances from other funds	7,332	-	-	-	7,332
Total liabilities	27,496	51,326	11,872	80	90,774
Fund balances:					
Nonspendable:					
Prepaid items	44	-	-	-	44
Noncurrent assets	-	530	-	-	530
Permanent fund principal	-	-	-	878	878
Restricted:					
Capital projects	53,397	-	77,365	-	130,762
Debt service	1,914	15,558	-	-	17,472
Public works programs	13,781	-	-	-	13,781
Economic development programs	23,970	-	-	-	23,970
Other programs	26,959	-	492	3,664	31,115
Committed:					
Capital projects	3,066	-	-	-	3,066
Debt service	-	2,278	-	-	2,278
Other programs	4,234	-	-	-	4,234
Assigned:					
Debt service	-	1,805	-	-	1,805
Unrealized investment gains	-	100	-	-	100
Other programs	1,452	111	-	-	1,563
Unassigned	(12,743)	-	-	-	(12,743)
Total fund balances	116,074	20,382	77,857	4,542	218,855
Total liabilities and fund balances	$ 143,570	$ 71,708	$ 89,729	$ 4,622	$ 309,629

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City of Sacramento

Other Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2013

(in thousands)

	Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:					
Taxes	$ 2,415	$ -	$ -	$ -	$ 2,415
Intergovernmental	67,015	3,010	-	-	70,025
Charges for services	5,208	-	-	-	5,208
Fines, forfeits and penalties	727	-	-	-	727
Interest, rents, and concessions	4,289	2,776	990	387	8,442
Community service fees	2,547	-	4,589	-	7,136
Assessment levies	35,262	-	2,326	-	37,588
Contributions and donations	694	1,305	77	1	2,077
Miscellaneous	1	-	-	-	1
Total revenues	118,158	7,091	7,982	388	133,619
Expenditures:					
Current:					
General government	3,206	-	222	211	3,639
Police	15,929	-	-	-	15,929
Fire	4,364	-	-	-	4,364
General services	806	-	-	-	806
Public works	28,294	-	-	-	28,294
Convention, culture and leisure	5,024	-	-	-	5,024
Economic development	7,823	-	-	-	7,823
Parks and recreation	17,507	-	159	-	17,666
Community development	3,356	-	435	-	3,791
Library	4,726	-	-	-	4,726
Utilities	827	-	-	-	827
Citywide and community support	149	-	11	-	160
Capital outlay	25,198	-	15,231	-	40,429
Debt service:					
Principal	995	14,544	334	-	15,873
Interest and fiscal charges	683	18,285	9	-	18,977
Total expenditures	118,887	32,829	16,401	211	168,328
Excess (deficiency) of revenues over (under) expenditures	(729)	(25,738)	(8,419)	177	(34,709)
Other financing sources (uses):					
Transfers in	1,534	25,091	-	-	26,625
Transfers out	(190)	-	(3,682)	-	(3,872)
Issuance of long-term debt	-	-	19	-	19
Total other financing sources (uses)	1,344	25,091	(3,663)	-	22,772
Special item	22,674	-	-	-	22,674
Net change in fund balances	23,289	(647)	(12,082)	177	10,737
Fund balances, beginning of year, as restated	92,785	21,029	89,939	4,365	208,118
Fund balances, end of year	$ 116,074	$ 20,382	$ 77,857	$ 4,542	$ 218,855

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds are generally required by statute, charter or ordinance to finance specific government functions. The following special revenue funds have been classified as nonmajor funds:

THE TRANSPORTATION AND DEVELOPMENT FUND accounts for the receipts and disbursements of taxes, fees and fines which are used to construct and maintain streets, bridges and bikeways as well as for traffic safety and community development activities. Programs in the Transportation and Development Fund include the State Gasoline Tax Program, the Traffic Congestion Relief Program, the Sacramento Transportation Sales Tax Program, the Major Street Construction Tax Program, the Transportation Development Act Program and the Private Development Program.

THE CULTURE AND LEISURE FUND is used to account for a variety of cultural arts and leisure activities. Programs in the Culture and Leisure Fund include the Sacramento Zoo, Fairytale Town, Art in Public Places, Old Sacramento Market, H Street Theatre, Golf, the Sacramento Sports Commission, the Crocker Master Trust and the Winchester G. and Mary Alice Felt Endowment.

THE PARKS AND RECREATION FUND is used to account for a variety of parks programs and recreation activities. Programs in the Parks and Recreation Fund include START, Quimby, Special Recreation, Land Park, Sutter Park Sites, Special Program Donations and the Ethel MacLeod Hart Trust.

THE ECONOMIC DEVELOPMENT FUND accounts for the receipts and disbursements of former redevelopment property tax revenues as well as the Brownfield Revolving Loan Program and the Sheraton Master Owner Participation Agreement (MOPA).

THE OPERATING GRANTS FUND is used to account for federal, state and other agency grants received for various specific purposes.

THE CCOMWP FUND is used to account for the revenue and expenditures associated with the City/County Office of Metropolitan Water Planning. The CCOMWP was formed to develop the Water Forum Agreement with objectives to provide a reliable water supply for planned development to the year 2030, and to preserve the region's Lower American River.

SPECIAL REVENUE FUNDS (continued)

THE SPECIAL DISTRICTS SPECIAL REVENUE FUND is used to account for a variety of programs that provide infrastructure maintenance and other services for specific areas of the City. The Special Districts Special Revenue Fund includes the Business Improvement Districts Program, the Landscaping and Lighting Districts Program, the Maintenance Benefit Area Program and the Assessment District Maintenance Program.

THE CAL EPA FUND is used to account for the expenditures associated with the maintenance of the Joe Serna, Jr. California EPA Headquarters Building.

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City of Sacramento
Special Revenue Funds
Combining Balance Sheet
June 30, 2013
(in thousands)

	Transportation and Development Fund	Culture and Leisure Fund	Parks and Recreation Fund	Economic Development Fund
ASSETS				
Cash and investments held by City	$ 54,912	$ 2,782	$ 13,968	$ 23,012
Cash and investments held by fiscal agent	-	29	-	-
Securities lending assets	-	-	5	2
Receivables, net:				
Taxes	-	-	-	1,658
Accounts	431	317	111	25
Loans	-	82	-	1,245
Intergovernmental	5,134	-	1,015	-
Interest	-	1	5	102
Prepaid items	-	-	2	-
Restricted assets:				
Cash and investments held by City	-	-	-	-
Cash and investments held by fiscal agent	109	732	-	-
Total assets	$ 60,586	$ 3,943	$ 15,106	$ 26,044
LIABILITIES AND FUND BALANCES				
Liabilities:				
Securities lending obligations	$ 222	$ -	$ 96	$ 149
Accounts payable	3,009	30	454	258
Accrued payroll	-	-	118	-
Accrued claims and judgements	1,601	-	-	-
Due to other funds	-	-	-	-
Deposits	666	6	127	-
Deferred revenue	3,210	151	206	9
Advances from other funds	-	7,332	-	-
Total liabilities	8,708	7,519	1,001	416
Fund balances:				
Nonspendable:				
Prepaid items	-	-	2	-
Restricted:				
Capital projects	39,259	-	10,033	-
Debt service	-	732	-	-
Public works programs	13,781	-	-	-
Economic development programs	-	-	-	23,970
Other programs	-	1,828	2,863	-
Committed:				
Capital projects	254	230	82	-
Other programs	1,443	8	1,125	1,658
Assigned:				
Other programs	-	530	-	-
Unassigned	(2,859)	(6,904)	-	-
Total fund balances (deficit)	51,878	(3,576)	14,105	25,628
Total liabilities and fund balances	$ 60,586	$ 3,943	$ 15,106	$ 26,044

City of Sacramento
Special Revenue Funds
Combining Balance Sheet
June 30, 2013
(in thousands)

	Operating Grants Fund	CCOMWP Fund	Special Districts Special Revenue Fund	Cal EPA Fund	Total Special Revenue Funds
ASSETS					
Cash and investments held by City	$ -	$ 1,754	$ 20,430	$ 3,377	$ 120,235
Cash and investments held by fiscal agent	-	-	-	-	29
Securities lending assets	-	-	-	-	7
Receivables, net:					
Taxes	-	-	-	-	1,658
Accounts	141	334	1,197	-	2,556
Loans	-	-	-	-	1,327
Intergovernmental	9,971	-	-	45	16,165
Interest	-	-	-	-	108
Prepaid items	39	3	-	-	44
Restricted assets:					
Cash and investments held by City	-	-	600	-	600
Cash and investments held by fiscal agent	-	-	-	-	841
Total assets	$ 10,151	$ 2,091	$ 22,227	$ 3,422	$ 143,570
LIABILITIES AND FUND BALANCES					
Liabilities:					
Securities lending obligations	$ -	$ -	$ -	$ -	$ 467
Accounts payable	607	223	2,701	-	7,282
Accrued payroll	-	13	-	-	131
Accrued claims and judgements	-	-	-	-	1,601
Due to other funds	3,044	-	-	-	3,044
Deposits	91	-	-	-	890
Deferred revenue	3,173	-	-	-	6,749
Advances from other funds	-	-	-	-	7,332
Total liabilities	6,915	236	2,701	-	27,496
Fund balances:					
Nonspendable:					
Prepaid items	39	3	-	-	44
Restricted:					
Capital projects	-	-	4,105	-	53,397
Debt service	-	-	1,182	-	1,914
Public works programs	-	-	-	-	13,781
Economic development programs	-	-	-	-	23,970
Other programs	6,177	1,852	14,239	-	26,959
Committed:					
Capital projects	-	-	-	2,500	3,066
Other programs	-	-	-	-	4,234
Assigned:					
Other programs	-	-	-	922	1,452
Unassigned	(2,980)	-	-	-	(12,743)
Total fund balances (deficit)	3,236	1,855	19,526	3,422	116,074
Total liabilities and fund balances	$ 10,151	$ 2,091	$ 22,227	$ 3,422	$ 143,570

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City of Sacramento

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2013

(in thousands)

	Transportation and Development Fund	Culture and Leisure Fund	Parks and Recreation Fund	Economic Development Fund
Revenues:				
Taxes	$ 757	$ -	$ -	$ 1,658
Intergovernmental	28,751	100	4,580	-
Charges for services	3,027	488	92	-
Fines, forfeits and penalties	727	-	-	-
Interest, rents, and concessions	800	1,615	1,382	164
Community service fees	83	-	2,464	-
Assessment levies	17	-	-	-
Contributions and donations	-	43	192	-
Miscellaneous	-	-	1	-
Total revenues	34,162	2,246	8,711	1,822
Expenditures:				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
General services	-	-	-	-
Public works	17,165	-	-	-
Convention, culture and leisure	-	606	-	-
Economic development	-	-	-	258
Parks and recreation	-	-	9,224	-
Community development	3,021	-	-	-
Library	-	-	-	-
Utilities	-	-	-	-
Citywide and community support	-	149	-	-
Capital outlay	20,401	115	3,418	-
Debt service:				
Principal	-	540	-	-
Interest and fiscal charges	-	556	-	-
Total expenditures	40,587	1,966	12,642	258
Excess (deficiency) of revenues over (under) expenditures	(6,425)	280	(3,931)	1,564
Other financing sources (uses):				
Transfers in	530	-	553	-
Transfers out	(162)	-	(28)	-
Total other financing sources (uses)	368	-	525	-
Special item	-	-	-	22,674
Net change in fund balances	(6,057)	280	(3,406)	24,238
Fund balances (deficit), beginning of year, as restated	57,935	(3,856)	17,511	1,390
Fund balances (deficit), end of year	$ 51,878	$ (3,576)	$ 14,105	$ 25,628

City of Sacramento

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2013

(in thousands)

	Operating Grants Fund	CCOMWP Fund	Special Districts Special Revenue Fund	Cal EPA Fund	Total Special Revenue Funds
Revenues:					
Taxes	$ -	$ -	$ -	$ -	$ 2,415
Intergovernmental	31,661	1,736	-	187	67,015
Charges for services	1,601	-	-	-	5,208
Fines, forfeits and penalties	-	-	-	-	727
Interest, rents, and concessions	-	20	267	41	4,289
Community service fees	-	-	-	-	2,547
Assessment levies	-	-	35,245	-	35,262
Contributions and donations	459	-	-	-	694
Miscellaneous	-	-	-	-	1
Total revenues	33,721	1,756	35,512	228	118,158
Expenditures:					
Current:					
General government	-	2,203	1,003	-	3,206
Police	15,929	-	-	-	15,929
Fire	4,364	-	-	-	4,364
General services	705	-	100	1	806
Public works	-	-	11,129	-	28,294
Convention, culture and leisure	139	-	4,279	-	5,024
Economic development	109	-	7,456	-	7,823
Parks and recreation	3,156	-	5,127	-	17,507
Community development	207	-	128	-	3,356
Library	-	-	4,726	-	4,726
Utilities	-	-	827	-	827
Citywide and community support	-	-	-	-	149
Capital outlay	722	-	542	-	25,198
Debt service:					
Principal	-	-	455	-	995
Interest and fiscal charges	-	-	127	-	683
Total expenditures	25,331	2,203	35,899	1	118,887
Excess (deficiency) of revenues over (under) expenditures	8,390	(447)	(387)	227	(729)
Other financing sources (uses):					
Transfers in	-	451	-	-	1,534
Transfers out	-	-	-	-	(190)
Total other financing sources (uses)	-	451	-	-	1,344
Special item	-	-	-	-	22,674
Net change in fund balances	8,390	4	(387)	227	23,289
Fund balances (deficit), beginning of year, as restated	(5,154)	1,851	19,913	3,195	92,785
Fund balances (deficit), end of year	$ 3,236	$ 1,855	$ 19,526	$ 3,422	$ 116,074

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City of Sacramento

Transportation and Development Special Revenue Fund
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	$ 20,872	$ 20,872	$ 20,424	$ (448)
Fines, forfeits and penalties	900	900	727	(173)
Interest, rents, and concessions	120	120	304	184
Total revenues	21,892	21,892	21,455	(437)
Expenditures:				
Current:				
Public works	16,391	15,858	15,864	(6)
Capital outlay	13,052	15,777	5,130	10,647
Total expenditures	29,443	31,635	20,994	10,641
Net change in fund balance for budgeted activities	$ (7,551)	$ (9,743)	461	$ 10,204
Net change in fund balance for Transportation and Development Special Revenue Fund activities for which annual budgets are not adopted.			(6,518)	
Net change in fund balance			$ (6,057)	

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City of Sacramento

Culture and Leisure Special Revenue Fund
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	$ 100	$ 100	$ 100	$ -
Charges for services	209	280	245	(35)
Interest, rents and concessions	1,485	1,485	1,591	106
Contributions and donations	45	45	43	(2)
Total revenues	1,839	1,910	1,979	69
Expenditures:				
Current:				
Convention, culture and leisure	520	467	363	104
Citywide and community support	100	100	149	(49)
Capital outlay	232	304	86	218
Debt service:				
Principal	627	627	540	87
Interest and fiscal charges	556	556	556	-
Total expenditures	2,035	2,054	1,694	360
Net change in fund balance for budgeted activities	$ (196)	$ (144)	285	$ 429
Net change in fund balance for Culture and Leisure Special Revenue Fund activities for which annual budgets are not adopted.			(5)	
Net change in fund balance			$ 280	

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City of Sacramento

Parks and Recreation Special Revenue Fund
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	$ 5,208	$ 5,267	$ 4,580	$ (687)
Charges for services	10	10	92	82
Interest, rents and concessions	702	722	921	199
Community service fees	1,704	1,716	2,144	428
Contributions and donations	12	25	73	48
Total revenues	7,636	7,740	7,810	70
Expenditures:				
Current:				
Parks and recreation	8,242	9,104	8,998	106
Capital outlay	70	72	-	72
Total expenditures	8,312	9,176	8,998	178
Excess (deficiency) of revenues over (under) expenditures	(676)	(1,436)	(1,188)	248
Other financing sources (uses):				
Transfers in	553	553	553	-
Transfers out	-	-	(28)	(28)
Total other financing sources (uses)	553	553	525	(28)
Net change in fund balance for budgeted activities	$ (123)	$ (883)	(663)	$ 220
Net change in fund balance for Parks and Recreation Special Revenue Fund activities for which annual budgets are not adopted.			(2,743)	
Net change in fund balance			$ (3,406)	

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City of Sacramento

CCOMWP Special Revenue Fund

Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	$ 1,016	$ 1,712	$ 1,736	$ 24
Interest, rents and concessions	-	-	20	20
Total revenues	1,016	1,712	1,756	44
Expenditures:				
Current:				
General government	2,707	3,403	2,203	1,200
Excess (deficiency) of revenues over (under) expenditures	(1,691)	(1,691)	(447)	1,244
Other financing sources				
Operating transfers in	449	449	451	2
Net change in fund balance	$ (1,242)	$ (1,242)	$ 4	$ 1,246

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City of Sacramento

Special Districts Special Revenue Fund
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Interest, rents, and concessions	$ -	$ -	$ 267	$ 267
Assessment levies	31,940	35,412	35,245	(167)
Total revenues	31,940	35,412	35,512	100
Expenditures:				
Current:				
General government	956	948	1,003	(55)
General services	105	111	100	11
Public works	12,149	11,544	11,129	415
Convention, culture and leisure	2,130	5,264	4,279	985
Economic development	5,983	7,617	7,456	161
Parks and recreation	5,116	5,127	5,127	-
Community development	229	229	128	101
Library	4,400	4,400	4,726	(326)
Utilities	1,143	1,268	827	441
Capital outlay	4,610	4,610	542	4,068
Debt service:				
Principal	455	455	455	-
Interest and fiscal charges	127	127	127	-
Total expenditures	37,403	41,700	35,899	5,801
Net change in fund balance	$ (5,463)	$ (6,288)	$ (387)	$ 5,901

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City of Sacramento

Cal EPA Special Revenue Fund

Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2013

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	$ 7,874	$ 7,874	$ 187	$ (7,687)
Interest, rents, and concessions	-	-	41	41
Total revenues	7,874	7,874	228	(7,646)
Expenditures:				
Current:				
General services	7,702	7,702	1	7,701
Net change in fund balance	$ 172	$ 172	$ 227	$ 55

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OTHER DEBT SERVICE FUNDS

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest, or that are being accumulated for principal and interest maturing in future years. The following debt service funds have been classified as nonmajor funds:

THE 1993 SERIES A REVENUE BOND FUND is used to account for refunded debt service activities related to the City of Sacramento's 1986 COP issue, for the debt service activity related to the partial refunding of the City of Sacramento's 1991 Marks-Roos Revenue Bond issuance, and to pay costs of issuance of the bonds.

THE 1993 SERIES B REVENUE BOND FUND is used to account for refunded debt service activities related to the City of Sacramento's 1989 COP issuance and to pay costs of issuance of the bonds.

THE 2002 CAPITAL IMPROVEMENT REVENUE BOND FUND is used to account for debt service activities related to financing various capital improvements and redevelopment projects including the new Civic Center, I-5 Arena Interchange and certain fire trucks and fire stations. These bonds were partially refunded with the 2005 Refunding Revenue Bonds, and with the 2006 Series E Refunding Revenue Bonds.

THE 2002 REFUNDING REVENUE BOND LIGHT RAIL PROJECTS FUND is used to account for refunded debt service activities related to the City of Sacramento's 1991 Refunded Certificates of Participation (Light Rail Transit Projects).

THE 2002 REFUNDING REVENUE BOND PUBLIC FACILITIES PROJECTS FUND is used to account for refunded debt service activities related to the City of Sacramento's 1991 Refunded Certificates of Participation (1987 Public Facilities Projects).

THE 2003 CAPITAL IMPROVEMENT REVENUE BOND FUND is used to account for debt service activities related to financing the acquisition and construction of the 911 Dispatch and Training Facility, a regional park, a corporation yard, a library, fire stations and other municipal projects. These bonds were partially refunded by the 2006 Series E Refunding Revenue Bonds.

THE 2005 REFUNDING REVENUE BOND FUND is used to account for refunded debt service related to refinancing all of the 2000 Capital Improvement Revenue Bonds and a portion of the 1999, 2001 and 2002 Capital Improvement Revenue Bonds, and to pay the costs of issuance.

THE 2006 SERIES A REVENUE BOND FUND is used to account for debt service activities related to financing the expansion of the Crocker Art Museum and other public capital improvements and redevelopment projects.

OTHER DEBT SERVICE FUNDS (continued)

THE 2006 SERIES B REVENUE BOND FUND is used to account for debt service activities related to financing an arts rehearsal facility and other public capital improvements and redevelopment projects.

THE 2006 SERIES C REVENUE BOND FUND is used to account for debt service activities related to financing the City's new Richards Boulevard building and improvements.

THE 2006 SERIES D REVENUE BOND FUND is used to account for debt service activities related to financing the City's new Richards Boulevard building and improvements.

THE 2006 SERIES E REVENUE BOND FUND is used to account for refunding debt service related to refinancing all of the 2001 Capital Improvement Revenue Bonds and a portion of the 2002 and 2003 Capital Improvement Revenue Bonds, and to pay the costs of issuance.

THE OTHER CITY DEBT FUND is used to account for debt service activities related to financing equipment for street lighting and other programs of the City.

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City of Sacramento
Other Debt Service Funds
Combining Balance Sheet
June 30, 2013
(in thousands)

	1993 Series A Revenue Bond Fund	1993 Series B Revenue Bond Fund	2002 Capital Improvement Revenue Bond Fund	2002 Refunding Revenue Bond Light Rail Projects Fund
ASSETS				
Cash and investments held by City	$ 27	$ 379	$ 280	$ 39
Cash and investments held by fiscal agent	47	131	-	-
Receivables, net:				
Loans	-	-	-	-
Intergovernmental	-	-	2,380	-
Interest	3	7	-	-
Restricted assets:				
Cash and investments held by City	-	-	-	-
Cash and investments held by fiscal agent	1,212	3,314	-	-
Total assets	$ 1,289	$ 3,831	$ 2,660	$ 39
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deposits	$ -	$ -	$ -	$ -
Deferred revenue	3	7	2,380	-
Total liabilities	3	7	2,380	-
Fund balances:				
Nonspendable:				
Noncurrent assets	-	-	-	-
Restricted:				
Debt service	1,212	3,314	-	-
Committed:				
Debt service	-	-	-	-
Assigned:				
Debt service	47	437	169	39
Unrealized investment gains	27	73	-	-
Other programs	-	-	111	-
Total fund balances	1,286	3,824	280	39
Total liabilities and fund balances	$ 1,289	$ 3,831	$ 2,660	$ 39

(continued)

City of Sacramento
Other Debt Service Funds
Combining Balance Sheet
June 30, 2013
(in thousands)

	2002 Refunding Revenue Bond Public Facilities Projects Fund	2005 Refunding Revenue Bond Fund	2006 Series A Revenue Bond Fund	2006 Series B Revenue Bond Fund
ASSETS				
Cash and investments held by City	$ 47	$ -	$ 472	$ 2,768
Cash and investments held by fiscal agent	-	-	-	95
Receivables, net:				
Loans	-	-	4,839	-
Intergovernmental	-	20,295	7,902	13,091
Interest	-	-	-	-
Restricted assets:				
Cash and investments held by City	-	-	819	-
Cash and investments held by fiscal agent	-	-	6,798	3,904
Total assets	$ 47	$ 20,295	$ 20,830	$ 19,858
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deposits	$ -	$ -	$ 819	$ -
Deferred revenue	-	20,295	12,741	13,091
Total liabilities	-	20,295	13,560	13,091
Fund balances:				
Nonspendable:				
Noncurrent assets	-	-	-	-
Restricted:				
Debt service	-	-	6,857	3,904
Committed:				
Debt service	-	-	-	2,278
Assigned:				
Debt service	47	-	413	585
Unrealized investment gains	-	-	-	-
Other programs	-	-	-	-
Total fund balances	47	-	7,270	6,767
Total liabilities and fund balances	$ 47	$ 20,295	$ 20,830	$ 19,858

(continued)

City of Sacramento
Other Debt Service Funds
Combining Balance Sheet
June 30, 2013
(in thousands)

	2006 Series D Revenue Bond Fund	2006 Series E Revenue Bond Fund	Other City Debt Fund	Total Other Debt Service Funds
ASSETS				
Cash and investments held by City	$ 3	$ 45	$ 21	$ 4,081
Cash and investments held by fiscal agent	-	-	-	273
Receivables, net:				
Loans	-	-	529	5,368
Intergovernmental	-	1,990	-	45,658
Interest	-	-	-	10
Restricted assets:				
Cash and investments held by City	-	-	-	819
Cash and investments held by fiscal agent	-	-	271	15,499
Total assets	$ 3	$ 2,035	$ 821	$ 71,708
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deposits	$ -	$ -	$ -	$ 819
Deferred revenue	-	1,990	-	50,507
	-	-		
Total liabilities	-	1,990	-	51,326
Fund balances:				
Nonspendable:				
Noncurrent assets	-	-	530	530
Restricted:				
Debt service	-	-	271	15,558
Committed:				
Debt service	-	-	-	2,278
Assigned:				
Debt service	3	45	20	1,805
Unrealized investment gains	-	-	-	100
Other programs	-	-	-	111
Total fund balances	3	45	821	20,382
Total liabilities and fund balances	$ 3	$ 2,035	$ 821	$ 71,708

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City of Sacramento
Other Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2013
(in thousands)

	1993 Series A Revenue Bond Fund	1993 Series B Revenue Bond Fund	2002 Capital Improvement Revenue Bond Fund	2002 Refunding Revenue Bond Light Rail Projects Fund
Revenues:				
Intergovernmental	$ -	$ -	$ 1,950	$ -
Interest, rents, and concessions	10	21	145	1
Contributions from property owners	-	-	-	-
Total revenues	10	21	2,095	1
Expenditures:				
Debt service:				
Principal	673	1,926	4,805	-
Interest and fiscal charges	389	1,084	397	-
Total expenditures	1,062	3,010	5,202	-
Excess (deficiency) of revenues over (under) expenditures	(1,052)	(2,989)	(3,107)	1
Other financing sources:				
Transfers in	761	3,123	3,111	-
Net change in fund balances	(291)	134	4	1
Fund balances, beginning of year	1,577	3,690	276	38
Fund balances, end of year	$ 1,286	$ 3,824	$ 280	$ 39

City of Sacramento
Other Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2013
(in thousands)

	2002 Refunding Revenue Bond Public Facilities Projects Fund	2003 Capital Improvement Revenue Bond Fund	2005 Refunding Revenue Bond Fund
Revenues:			
Intergovernmental	$ -	$ -	$ 595
Interest, rents, and concessions	1	-	1,008
Contributions from property owners	-	-	-
Total revenues	1	-	1,603
Expenditures:			
Debt service:			
Principal	-	1,270	1,155
Interest and fiscal charges	-	1,018	2,790
Total expenditures	-	2,288	3,945
Excess (deficiency) of revenues over (under) expenditures	1	(2,288)	(2,342)
Other financing sources:			
Transfers in	-	2,288	2,342
Net change in fund balances	1	-	-
Fund balances, beginning of year	46	-	-
Fund balances, end of year	$ 47	$ -	$ -

(continued)

City of Sacramento
Other Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2013
(in thousands)

	2006 Series A Revenue Bond Fund	2006 Series B Revenue Bond Fund	2006 Series C Revenue Bond Fund	2006 Series D Revenue Bond Fund
Revenues:				
Intergovernmental	$ 190	$ 275	$ -	$ -
Interest, rents, and concessions	573	884	-	-
Contributions and donations	1,305	-	-	-
Total revenues	2,068	1,159	-	-
Expenditures:				
Debt service:				
Principal	2,975	960	590	-
Interest and fiscal charges	3,888	3,017	1,291	126
Total expenditures	6,863	3,977	1,881	126
Excess (deficiency) of revenues over (under) expenditures	(4,795)	(2,818)	(1,881)	(126)
Other financing sources:				
Transfers in	4,468	2,822	1,881	125
Net change in fund balances	(327)	4	-	(1)
Fund balances, beginning of year	7,597	6,763	-	4
Fund balances, end of year	$ 7,270	$ 6,767	$ -	$ 3

(continued)

City of Sacramento
Other Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2013
(in thousands)

	2006 Series E Revenue Bond Fund	Other City Debt Fund	Total Other Debt Service Funds
Revenues:			
Intergovernmental	$ -	$ -	$ 3,010
Interest, rents, and concessions	105	28	2,776
Contributions and donations	-	-	1,305
Total revenues	105	28	7,091
Expenditures:			
Debt service:			
Principal	-	190	14,544
Interest and fiscal charges	4,129	156	18,285
Total expenditures	4,129	346	32,829
Excess (deficiency) of revenues over (under) expenditures	(4,024)	(318)	(25,738)
Other financing sources:			
Transfers in	4,026	144	25,091
Net change in fund balances	2	(174)	(647)
Fund balances, beginning of year	43	995	21,029
Fund balances, end of year	$ 45	$ 821	$ 20,382

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OTHER CAPITAL PROJECTS FUNDS

Other capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for governmental capital assets. The following capital projects funds have been classified as nonmajor funds:

THE GENERAL FUND CAPITAL PROJECTS FUND is used to account for the proceeds of bond issues and associated capital projects.

THE CROCKER ART MUSEUM EXPANSION FUND is used to account for contributions from the Crocker Art Museum Association (CAMA) and related expenditures for the museum expansion project.

THE FINANCING PLANS FUND is used to account for the construction of public infrastructure funded by fee districts and finance plans. The Financing Plans Fund includes the North Natomas Financing Plan, the Citywide Park Development Impact Fee program and other development impact fee programs.

THE SPECIAL DISTRICTS CAPITAL PROJECTS FUND is used to account for the proceeds of special assessment bond issues which are used in the construction of street lighting, curbs, gutters, sidewalks and drainage infrastructure.

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City of Sacramento

Other Capital Projects Funds

Combining Balance Sheet

June 30, 2013

(in thousands)

	General Fund Capital Projects Fund	Crocker Art Museum Expansion Fund	Financing Plans Fund	Special Districts Capital Projects Fund	Total Other Capital Projects Funds
ASSETS					
Cash and investments held by City	$ 248	$ 195	$ 62,428	$ 11,308	$ 74,179
Securities lending assets	-	-	5	-	5
Receivables, net:					
Accounts	-	-	1,575	8	1,583
Loans	-	5,000	-	-	5,000
Interest	-	-	239	-	239
Restricted assets:					
Cash and investments held by City	8,631	92	-	-	8,723
Total assets	$ 8,879	$ 5,287	$ 64,247	$ 11,316	$ 89,729
LIABILITIES AND FUND BALANCES					
Liabilities:					
Securities lending obligations	$ 169	$ 195	$ 585	$ 54	$ 1,003
Accounts payable	83	-	1,598	3,068	4,749
Deposits	-	-	501	-	501
Deferred revenue	-	5,000	619	-	5,619
Total liabilities	252	5,195	3,303	3,122	11,872
Fund balances:					
Restricted:					
Capital projects	8,627	92	60,452	8,194	77,365
Other programs	-	-	492	-	492
Total fund balances	8,627	92	60,944	8,194	77,857
Total liabilities and fund balances	$ 8,879	$ 5,287	$ 64,247	$ 11,316	$ 89,729

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City of Sacramento

Other Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2013
(in thousands)

	General Fund Capital Projects Fund	Crocker Art Museum Expansion Fund	Financing Plans Fund	Special Districts Capital Projects Fund	Total Other Capital Projects Funds
Revenues:					
Interest, rents, and concessions	$ 224	$ 173	$ 457	$ 136	$ 990
Community service fees	-	-	4,589	-	4,589
Assessment levies	-	-	-	2,326	2,326
Contributions and donations	-	-	-	77	77
Total revenues	224	173	5,046	2,539	7,982
Expenditures:					
Current:					
General government	-	-	210	12	222
Parks and recreation	-	-	159	-	159
Community development	-	-	435	-	435
Citywide and community support	-	-	-	11	11
Capital outlay	3,059	-	7,210	4,962	15,231
Debt service:					
Principal	-	-	334	-	334
Interest and fiscal charges	25	-	(16)	-	9
Total expenditures	3,084	-	8,332	4,985	16,401
(Deficiency) excess of revenues (under) over expenditures	(2,860)	173	(3,286)	(2,446)	(8,419)
Other financing sources (uses):					
Transfers out	(987)	(145)	(2,550)	-	(3,682)
Issuance of long-term debt	-	-	19	-	19
Total other financing sources (uses)	(987)	(145)	(2,531)	-	(3,663)
Net change in fund balances	(3,847)	28	(5,817)	(2,446)	(12,082)
Fund balances, beginning of year, as restated	12,474	64	66,761	10,640	89,939
Fund balances, end of year	$ 8,627	$ 92	$ 60,944	$ 8,194	$ 77,857

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PERMANENT FUNDS

Permanent funds are used to account for and report resources that are held by the City which are legally restricted to the extent that only earnings may be used for purposes that support City programs. The resources must be spent as provided in legal trust agreements and related state laws. The following permanent funds have been classified as nonmajor funds:

THE ANN LAND FUND is used to account for gifts to the City. The investment income is available to aid destitute persons in the City.

THE BERTHA HENSCHEL FUND is used to account for gifts to the City. The investment income is available to aid destitute persons in the City.

THE GEORGE CLARK SCHOLARSHIP FUND is used to account for an endowment established by George Clark, Mayor of Sacramento in 1900. The investment income is available to provide college scholarships for Sacramento high school seniors.

THE ALICE MILLER FUND is used to account for gifts to the City. The investment income is available to care for a specific area of the Old City Cemetery.

THE SACRAMENTO HISTORY MUSEUM FUND is used to account for gifts to the Museum. The investment income is available to help pay the operating expenses of the Museum.

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City of Sacramento
Permanent Funds
Combining Balance Sheet
June 30, 2013
(in thousands)

	Ann Land Fund	Bertha Henschel Fund	George Clark Scholarship Fund
ASSETS			
Cash and investments held by City	$ 843	$ 2,523	$ 856
Securities lending assets	1	2	1
Receivables, net:			
Interest	2	8	3
Total assets	$ 846	$ 2,533	$ 860
LIABILITIES AND FUND BALANCES			
Liabilities:			
Securities lending obligations	$ 5	$ 16	$ 3
Accounts payable	14	42	-
Total liabilities	19	58	3
Fund balances:			
Nonspendable:			
Permanent fund principal	272	278	25
Restricted:			
Other programs	555	2,197	832
Total fund balances	827	2,475	857
Total liabilities and fund balances	$ 846	$ 2,533	$ 860

City of Sacramento
Permanent Funds
Combining Balance Sheet
June 30, 2013
(in thousands)

	Alice Miller Fund	Sacramento History Museum Fund	Total Permanent Funds
ASSETS			
Cash and investments held by City	$ 50	$ 333	$ 4,605
Securities lending assets	-	-	4
Receivables, net:			
Interest	-	-	13
Total assets	$ 50	$ 333	$ 4,622
LIABILITIES AND FUND BALANCES			
Liabilities:			
Securities lending obligations	$ -	$ -	$ 24
Accounts payable	-	-	56
Total liabilities	-	-	80
Fund balances:			
Nonspendable:			
Permanent fund principal	3	300	878
Restricted:			
Other programs	47	33	3,664
Total fund balances	50	333	4,542
Total liabilities and fund balances	$ 50	$ 333	$ 4,622

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City of Sacramento

Permanent Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Ann Land Fund	Bertha Henschel Fund	George Clark Scholarship Fund
Revenues:			
Interest, rents, and concessions	$ 73	$ 217	$ 91
Contributions and donations	-	1	-
Total revenues	73	218	91
Expenditures:			
Current:			
General government	47	141	23
Net change in fund balances	26	77	68
Fund balances, beginning of year	801	2,398	789
Fund balances, end of year	$ 827	$ 2,475	$ 857

City of Sacramento

Permanent Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Alice Miller Fund	Sacramento History Museum Fund	Total Permanent Funds
Revenues:			
Interest, rents, and concessions	$ 1	$ 5	$ 387
Contributions and donations	-	-	1
Total revenues	1	5	388
Expenditures:			
Current:			
General government	-	-	211
Net change in fund balances	1	5	177
Fund balances, beginning of year	49	328	4,365
Fund balances, end of year	$ 50	$ 333	$ 4,542

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OTHER ENTERPRISE FUNDS

Enterprise funds are used to account for self-supporting City programs that provide services on a user-fee basis to the general public. The following enterprise funds have been classified as nonmajor funds:

THE PARKING FUND is used to account for the operation and maintenance of the City's off-street parking facilities throughout the City.

THE 4th R CHILD DEVELOPMENT FUND is used to account for a program that provides school age child care services at various locations throughout the City.

THE MARINA FUND is used to account for the operation and maintenance of the City's Marina located on the Sacramento River at Miller Park.

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City of Sacramento
Other Enterprise Funds
Combining Statement of Net Position
June 30, 2013
(in thousands)

	Parking Fund	4th R Child Development Fund	Marina Fund	Total Other Enterprise Funds
ASSETS				
Current assets:				
Cash and investments held by City	$ 32,619	$ 98	$ 1,112	$ 33,829
Cash and investments held by fiscal agent	71	-	-	71
Securities lending assets	3	-	-	3
Receivables, net:				
Accounts	807	177	19	1,003
Loans	85	-	-	85
Interest	138	-	-	138
Prepaid items	17	8	-	25
Total current assets	33,740	283	1,131	35,154
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	-	35	60	95
Cash and investments held by fiscal agent	1,790	-	-	1,790
Loans receivable	560	-	-	560
Deferred charges	316	174	-	490
Capital assets:				
Land	5,825	-	3,821	9,646
Buildings and improvements	60,271	1,546	17,679	79,496
Machinery and equipment	7,527	-	137	7,664
Construction in progress	4	-	-	4
Software	3	-	-	3
Less: accumulated depreciation/amortization	(33,195)	(716)	(7,519)	(41,430)
Total noncurrent assets	43,101	1,039	14,178	58,318
Total assets	76,841	1,322	15,309	93,472

City of Sacramento
Other Enterprise Funds
Combining Statement of Net Position
June 30, 2013
(in thousands)

	Parking Fund	4th R Child Development Fund	Marina Fund	Total Other Enterprise Funds
LIABILITIES				
Current liabilities:				
Securities lending obligations	173	-	-	173
Accounts payable	1,335	104	5	1,444
Accrued payroll	109	179	21	309
Accrued compensated absences	8	13	3	24
Interest payable	186	-	654	840
Deposits	-	-	87	87
Unearned revenue	512	35	27	574
Accrued claims and judgements	16	11	-	27
Capital leases payable	-	-	94	94
Revenue and other bonds payable, net	1,964	-	-	1,964
Notes payable	-	20	458	478
Total current liabilities	4,303	362	1,349	6,014
Noncurrent liabilities:				
Accrued compensated absences	239	281	45	565
OPEB liability	999	157	99	1,255
Capital leases payable	-	-	979	979
Revenue and other bonds payable, net	28,828	-	-	28,828
Notes payable	-	20	15,424	15,444
Total noncurrent liabilities	30,066	458	16,547	47,071
Total liabilities	34,369	820	17,896	53,085
NET POSITION				
Net investment in capital assets	11,433	790	(2,777)	9,446
Unrestricted	31,039	(288)	190	30,941
Total net position (deficit)	$ 42,472	$ 502	$ (2,587)	$ 40,387

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City of Sacramento

Other Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Parking Fund	4th R Child Development Fund	Marina Fund	Total Other Enterprise Funds
Operating revenues:				
Charges for services:				
User fees and charges	$ 17,767	$ 5,426	$ 1,142	$ 24,335
Rents and concessions	1,056	-	1	1,057
Miscellaneous	-	-	5	5
Total operating revenues	18,823	5,426	1,148	25,397
Operating expenses:				
Employee services	3,471	5,239	406	9,116
Services and supplies	7,067	782	401	8,250
Depreciation/amortization	2,151	77	273	2,501
Claims and judgements	4	18	-	22
Total operating expenses	12,693	6,116	1,080	19,889
Operating income (loss)	6,130	(690)	68	5,508
Nonoperating revenues (expenses):				
Interest and investment revenue	105	2	12	119
Revenue from other agencies	3	576	-	579
Interest expense	(1,688)	-	(773)	(2,461)
Amortization of deferred charges	(25)	-	-	(25)
Gain or (loss) on disposition of capital assets	(970)	-	-	(970)
Total nonoperating revenues (expenses)	(2,575)	578	(761)	(2,758)
Income (loss) before transfers	3,555	(112)	(693)	2,750
Transfers in	2	-	-	2
Transfers out	(3,096)	-	(170)	(3,266)
Change in net position	461	(112)	(863)	(514)
Total net position (deficit), beginning of year	42,011	614	(1,724)	40,901
Total net position (deficit), end of year	$ 42,472	$ 502	$ (2,587)	$ 40,387

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City of Sacramento
Other Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013
(in thousands)

	Parking Fund	4th R Child Development Fund	Marina Fund	Total Other Enterprise Funds
Cash flows from operating activities:				
Receipts from customers and users	$ 18,837	$ 5,295	$ 1,151	$ 25,283
Payments to suppliers	(6,802)	(770)	(412)	(7,984)
Payments to employees	(3,327)	(5,272)	(367)	(8,966)
Claims and judgements paid	-	(12)	-	(12)
Net cash provided by (used for) operating activities	8,708	(759)	372	8,321
Cash flows from noncapital financing activities:				
Transfers in from other funds	2	-	-	2
Transfers out to other funds	(2,028)	-	(170)	(2,198)
Intergovernmental revenue received	3	615	-	618
Net cash provided by (used for) noncapital financing activities	(2,023)	615	(170)	(1,578)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(276)	-	-	(276)
Proceeds from sale of capital assets			71	71
Principal payments on capital debt	(1,936)	(20)	(90)	(2,046)
Interest payments on capital debt	(1,634)	-	(251)	(1,885)
Transfers out to other funds	(1,068)	-	-	(1,068)
Net cash provided by (used for) capital and related financing activities	(4,914)	(20)	(270)	(5,204)
Cash flows from investing activities:				
Collection of interest and investment revenue	175	2	12	189
Settlements received for investments sold in prior year	317	-	-	317
Loan repayments received	60	-	-	60
Net cash provided by (used for) investing activities	552	2	12	566
Net increase (decrease) in cash and cash equivalents	2,323	(162)	(56)	2,105
Cash and cash equivalents, beginning of year	32,157	295	1,228	33,680
Cash and cash equivalents, end of year	$ 34,480	$ 133	$ 1,172	$ 35,785
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments held by City	$ 32,619	$ 98	$ 1,112	$ 33,829
Cash and investments held by fiscal agent	71	-	-	71
Restricted cash and investments held by City	-	35	60	95
Restricted cash and investments held by fiscal agent	1,790	-	-	1,790
Total cash and cash equivalents, end of year	$ 34,480	$ 133	$ 1,172	$ 35,785

City of Sacramento
Other Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013
(in thousands)

	Parking Fund	4th R Child Development Fund	Marina Fund	Total Other Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	$ 6,130	$ (690)	$ 68	$ 5,508
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	2,151	77	273	2,501
Changes in assets and liabilities:				
Accounts receivable, net	20	(131)	14	(97)
Prepaid items	(10)	-	-	(10)
Deferred charges	-	8	-	8
Accounts payable	275	4	(11)	268
Accrued payroll	(9)	(20)	6	(23)
Accrued compensated absences	(37)	(48)	14	(71)
Deposits	-	-	2	2
Accrued claims and judgements	4	6	-	10
OPEB liabilities	190	35	19	244
Unearned revenue	(6)	-	(13)	(19)
Net cash provided by (used for) operating activities	$ 8,708	$ (759)	$ 372	$ 8,321
Noncash investing, capital and financing activities:				
Amortization of bond premium, discount, and loss on refunding	$ (68)	$ -	$ -	$ (68)
Amortization of deferred charges	(25)	-	-	(25)
Capital asset acquisitions on accounts payable	415	-	-	415
Change in securities lending assets	(139)	-	-	(139)
Change in securities lending obligations	178	-	-	178
Interest accrual on loans receivable	(37)	-	-	(37)
Interest accrual on loans payable	-	-	500	500
Retirement of capital assets	(970)	-	-	(970)

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WATER FUND

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City of Sacramento
Water Fund
Combining Schedule of Net Position
June 30, 2013
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	Total Water Fund
ASSETS					
Current assets:					
Cash and investments held by City	$ -	$ 53,199	$ (985)	$ -	$ 52,214
Securities lending assets	-	29	-	-	29
Receivables, net:					
Accounts	-	19,113	-	-	19,113
Loans	1,183	3	-	-	1,186
Intergovernmental	-	-	1,245	-	1,245
Interest	72	1,284	-	-	1,356
Investments sold	-	-	-	-	-
Inventories	-	2,778	-	-	2,778
Total current assets	1,255	76,406	260	-	77,921
Noncurrent assets:					
Restricted assets:					
Cash and investments held by City	21,456	-	-	238,357	259,813
Cash and investments held by fiscal agent	-	32	-	7,024	7,056
Loans receivable	5,892	-	-	-	5,892
Deferred charges	-	1,620	-	1,955	3,575
Capital assets:					
Land	584	1,231	-	-	1,815
Buildings and improvements	-	37,469	-	-	37,469
Machinery and equipment	-	15,962	44	-	16,006
Transmission and distribution systems	679	580,356	1,306	-	582,341
Construction in progress	2,535	20,349	77	6,203	29,164
Software	-	414	-	-	414
Less: accumulated depreciation/amortization	(21)	(202,475)	(65)	-	(202,561)
Total noncurrent assets	31,125	454,958	1,362	253,539	740,984
Total assets	32,380	531,364	1,622	253,539	818,905

City of Sacramento
Water Fund
Combining Schedule of Net Position
June 30, 2013
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	Total Water Fund
LIABILITIES					
Current liabilities:					
Securities lending obligations	-	279	-	-	279
Accounts payable	-	3,168	52	2,922	6,142
Accrued payroll	-	691	-	-	691
Accrued compensated absences	-	112	-	-	112
Interest payable	-	710	-	2,694	3,404
Unearned revenue	-	1,351	208	-	1,559
Accrued claims and judgements	-	107	-	-	107
Revenue and other bonds payable, net	-	5,246	-	1,110	6,356
Notes payable	-	396	-	-	396
Total current liabilities	-	12,060	260	6,726	19,046
Noncurrent liabilities:					
Accrued compensated absences	-	1,812	-	-	1,812
Water fee credits	-	1,702	-	-	1,702
OPEB liability	-	5,605	-	-	5,605
Revenue and other bonds payable, net	-	147,414	-	246,846	394,260
Notes payable	-	9,410	-	-	9,410
Total noncurrent liabilities	-	165,943	-	246,846	412,789
Total liabilities	-	178,003	260	253,572	431,835
NET POSITION					
Net investment in capital assets	3,777	289,138	1,362	2,661	296,938
Restricted for:					
Capital projects	28,603	-	-	-	28,603
Unrestricted	-	64,223	-	(2,694)	61,529
Total net position (deficit)	$ 32,380	$ 353,361	$ 1,362	$ (33)	$ 387,070

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City of Sacramento

Water Fund

Combining Schedule of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue bonds Funds	Total Water Fund
Operating revenues:					
Charges for services:					
User fees and charges	$ -	$ 88,737	$ -	$ -	$ 88,737
Miscellaneous	-	17	-	-	17
Total operating revenues	-	88,754	-	-	88,754
Operating expenses:					
Employee services	-	24,346	2	-	24,348
Services and supplies	13	18,339	191	-	18,543
Depreciation/amortization	9	16,480	55	-	16,544
Claims and judgements	-	237	-	-	237
Total operating expenses	22	59,402	248	-	59,672
Operating income (loss)	(22)	29,352	(248)	-	29,082
Nonoperating revenues (expenses):					
Interest and investment revenue	499	20	-	-	519
Revenue from other agencies	-	89	310	-	399
Interest expense	-	(6,932)	-	-	(6,932)
Amortization of deferred charges	-	(119)	-	(33)	(152)
Total nonoperating revenues (expenses)	499	(6,942)	310	(33)	(6,166)
Income (loss) before contributions and transfers	477	22,410	62	(33)	22,916
Capital contributions	1,220	2,833	-	-	4,053
Transfers in	-	18	-	-	18
Transfers out	-	(9,901)	-	-	(9,901)
Change in net position	1,697	15,360	62	(33)	17,086
Total net position (deficit), beginning of year	30,683	338,001	1,300	-	369,984
Total net position (deficit), end of year	$ 32,380	$ 353,361	$ 1,362	$ (33)	$ 387,070

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City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2013
(in thousands)

	Development Impact Fee Fund	User Fee Fund	AARA Grant Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	Total Water Fund
Cash flows from operating activities:						
Receipts from customers and users	$ -	$ 86,166	$ -	$ -	$ -	$ 86,166
Payments to suppliers	(72)	(19,773)	-	(286)	-	(20,131)
Payments to employees	-	(23,541)	-	(2)	-	(23,543)
Claims and judgements paid	-	(220)	-	-	-	(220)
Net cash provided by (used for) operating activities	(72)	42,632	-	(288)	-	42,272
Cash flows from noncapital financing activities:						
Transfers in from other funds	-	18	-	-	-	18
Transfers out to other funds	-	(9,863)	-	-	-	(9,863)
Intergovernmental revenue received	-	89	-	460	-	549
Net cash provided by (used for) noncapital financing activities	-	(9,756)	-	460	-	(9,296)
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(2,436)	(10,157)	(10)	(83)	(1,691)	(14,377)
Proceeds from issuance of debt	-	-	-	-	248,511	248,511
Payments of issuance costs	-	-	-	-	(1,988)	(1,988)
Principal payments on capital debt	-	(4,893)	-	-	-	(4,893)
Interest payments on capital debt	-	(7,900)	-	-	-	(7,900)
Transfers out to other funds	-	(38)	-	-	-	(38)
Capital contributions received	2,720	10	-	-	-	2,730
Loan repayments received	2,050	-	-	-	-	2,050
Net cash provided by (used for) capital and related financing activities	2,334	(22,978)	(10)	(83)	244,832	224,095
Cash flows from investing activities:						
Collection of interest and investment revenue	759	(967)	-	-	549	341
Settlements received for investments sold in prior year	-	645	-	-	-	645
Net cash provided by (used for) investing activities	759	(322)	-	-	549	986
Net increase (decrease) in cash and cash equivalents	3,021	9,576	(10)	89	245,381	258,057
Cash and cash equivalents, beginning of year	18,435	43,655	10	(1,074)	-	61,026
Cash and cash equivalents, end of year	$ 21,456	$ 53,231	$ -	$ (985)	$ 245,381	$ 319,083
Reconciliation of cash and cash equivalents to the Statement of Net Position:						
Cash and investments held by City	$ -	$ 53,199	$ -	$ (985)	$ -	$ 52,214
Restricted cash and investments held by City	21,456	-	-	-	238,357	259,813
Restricted cash and investments held by fiscal agent	-	32	-	-	7,024	7,056
Total cash and cash equivalents, end of year	$ 21,456	$ 53,231	$ -	$ (985)	$ 245,381	$ 319,083

City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2013
(in thousands)

	Development Impact Fee Fund	User Fee Fund	AARA Grant Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	Total Water Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	$ (22)	$ 29,352	$ -	$ (248)	$ -	$ 29,082
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation/amortization expense	9	16,480	-	55	-	16,544
Changes in assets and liabilities:						
Accounts receivable, net	-	(939)	-	-	-	(939)
Inventories	-	1,122	-	-	-	1,122
Accounts payable	(59)	(2,556)	-	(95)	-	(2,710)
Accrued payroll	-	(138)	-	-	-	(138)
Accrued compensated absences	-	(128)	-	-	-	(128)
OPEB liabilities	-	1,071	-	-	-	1,071
Unearned revenue	-	(1,623)	-	-	-	(1,623)
Accrued claims and judgements	-	17	-	-	-	17
Deposits	-	(26)	-	-	-	(26)
Net cash provided by (used for) operating activities	$ (72)	$ 42,632	$ -	$ (288)	$ -	$ 42,272
Noncash investing, capital and financing activities:						
Contributions of capital assets	$ -	$ 1,152	$ -	$ -	$ -	$ 1,152
Transfer of capital assets from governmental funds, net of depreciation	-	1,671	-	-	-	1,671
Capitalized interest	-	695	-	-	1,591	2,286
Amortization of bond premium, discount, and loss on refunding	-	217	-	-	(555)	(338)
Amortization of deferred charges	-	(119)	-	-	(33)	(152)
Capital asset acquisitions on accounts payable	-	1,604	-	34	2,922	4,560
Change in securities lending assets	-	(261)	-	-	-	(261)
Change in securities lending obligations	-	320	-	-	-	320
Change in intergovernmental receivable for capital contributions	-	-	-	1,245	-	1,245

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WASTEWATER FUND

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City of Sacramento
Wastewater Fund
Combining Schedule of Net Position
June 30, 2013
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund	Total Wastewater Fund
ASSETS					
Current assets:					
Cash and investments held by City	$ -	$ 18,086	$ (108)	$ -	$ 17,978
Securities lending assets	-	5	-	-	5
Receivables, net:					
Accounts	-	11,134	-	-	11,134
Loans	-	242	-	-	242
Intergovernmental	-	-	108	-	108
Interest	-	247	-	-	247
Inventories	-	83	-	-	83
Total current assets	-	29,797	-	-	29,797
Noncurrent assets:					
Restricted assets:					
Cash and investments held by City	2,738	805	-	29,582	33,125
Cash and investments held by fiscal agent	-	-	-	2,061	2,061
Loans receivable	-	933	-	-	933
Deferred charges	-	-	-	493	493
Capital assets:					
Land	-	1,138	-	-	1,138
Buildings and improvements	-	15,130	-	-	15,130
Machinery and equipment	-	4,866	-	-	4,866
Transmission and distribution systems	-	150,322	-	-	150,322
Construction in progress	274	848	224	1,256	2,602
Software	-	315	-	-	315
Less: accumulated depreciation/amortization	-	(62,702)	-	-	(62,702)
Total noncurrent assets	3,012	111,655	224	33,392	148,283
Total assets	3,012	141,452	224	33,392	178,080

City of Sacramento
Wastewater Fund
Combining Schedule of Net Position
June 30, 2013
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund	Total Wastewater Fund
LIABILITIES					
Current liabilities:					
Securities lending obligations	-	85	-	-	85
Accounts payable	74	7,877	-	836	8,787
Accrued payroll	-	236	-	-	236
Accrued compensated absences	-	22	-	-	22
Interest payable	-	66	-	11	77
Accrued claims and judgements	-	52	-	-	52
Capital leases payable	-	137	-	-	137
Revenue and other bonds payable, net	-	-	-	57	57
Notes payable	-	720	-	-	720
Total current liabilities	74	9,195	-	904	10,173
Noncurrent liabilities:					
Accrued compensated absences	-	614	-	-	614
OPEB liability	-	2,188	-	-	2,188
Capital leases payable	-	438	-	-	438
Revenue and other bonds payable, net	-	-	-	32,477	32,477
Notes payable	-	5,314	-	-	5,314
Total noncurrent liabilities	-	8,554	-	32,477	41,031
Total liabilities	74	17,749	-	33,381	51,204
NET POSITION					
Net investment in capital assets	274	103,883	224	22	104,403
Restricted for:					
Capital projects	2,664	-	-	-	2,664
Unrestricted	-	19,820	-	(11)	19,809
Total net position (deficit)	$ 2,938	$ 123,703	$ 224	$ 11	$ 126,876

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City of Sacramento

Wastewater Fund

Combining Schedule of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund	Total Wastewater Fund
Operating revenues:					
Charges for services:					
User fees and charges	$ -	$ 24,063	$ -	$ -	$ 24,063
Charge to other agencies for contract services	-	1,067	-	-	1,067
Miscellaneous	-	4	-	-	4
Total operating revenues	-	25,134	-	-	25,134
Operating expenses:					
Employee services	-	7,846	-	-	7,846
Services and supplies	-	10,065	5	-	10,070
Depreciation/amortization	-	4,155	-	-	4,155
Claims and judgements	-	89	-	-	89
Total operating expenses	-	22,155	5	-	22,160
Operating income (loss)	-	2,979	(5)	-	2,974
Nonoperating revenues (expenses):					
Interest and investment revenue	32	84	-	2	118
Interest expense	-	(132)	-	17	(115)
Amortization of deferred charges	-	-	-	(8)	(8)
Total nonoperating revenues (expenses)	32	(48)	-	11	(5)
Income (loss) before contributions and transfers	32	2,931	(5)	11	2,969
Capital contributions	218	1,685	229	-	2,132
Transfers in	-	4	-	-	4
Transfers out	-	(2,673)	-	-	(2,673)
Change in net position	250	1,947	224	11	2,432
Total net position (deficit), beginning of year	2,688	121,756	-	-	124,444
Total net position (deficit), end of year	$ 2,938	$ 123,703	$ 224	$ 11	$ 126,876

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City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2013
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund	Total Wastewater Fund
Cash flows from operating activities:					
Receipts from customers and users	$ -	$ 24,228	$ -	$ -	$ 24,228
Payments to suppliers	-	(9,676)	(5)	-	(9,681)
Payments to employees	-	(7,426)	-	-	(7,426)
Claims and judgements paid	-	(94)	-	-	(94)
Net cash provided by (used for) operating activities	-	7,032	(5)	-	7,027
Cash flows from noncapital financing activities:					
Transfers in from other funds	-	4	-	-	4
Transfers out to other funds	-	(2,622)	-	-	(2,622)
Net cash provided by (used for) noncapital financing activities	-	(2,618)	-	-	(2,618)
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(76)	(2,323)	(224)	(420)	(3,043)
Proceeds from issuance of debt	-	-	-	32,562	32,562
Payments of issuance costs	-	-	-	(501)	(501)
Principal payments on capital debt	-	(836)	-	-	(836)
Interest payments on capital debt	-	(177)	-	-	(177)
Transfers out to other funds	-	(51)	-	-	(51)
Capital contributions received	218	-	121	-	339
Loan repayments received	-	118	-	-	118
Net cash provided by (used for) capital and related financing activities	142	(3,269)	(103)	31,641	28,411
Cash flows from investing activities:					
Collection of interest and investment revenue	32	(25)	-	2	9
Settlements received for investments sold in prior year	-	210	-	-	210
Net cash provided by (used for) investing activities	32	185	-	2	219
Net increase (decrease) in cash and cash equivalents	174	1,330	(108)	31,643	33,039
Cash and cash equivalents, beginning of year	2,564	17,561	-	-	20,125
Cash and cash equivalents, end of year	$ 2,738	$ 18,891	$ (108)	$ 31,643	$ 53,164
Reconciliation of cash and cash equivalents to the Statement of Net Position:					
Cash and investments held by City	$ -	$ 18,086	$ (108)	$ -	$ 17,978
Restricted cash and investments held by City	2,738	805	-	29,582	33,125
Restricted cash and investments held by fiscal agent	-	-	-	2,061	2,061
Total cash and cash equivalents, end of year	$ 2,738	$ 18,891	$ (108)	$ 31,643	$ 53,164

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2013
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund	Total Wastewater Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	$ -	$ 2,979	$ (5)	$ -	$ 2,974
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	-	4,155	-	-	4,155
Changes in assets and liabilities:					
Accounts receivable, net	-	(906)	-	-	(906)
Inventories	-	14	-	-	14
Accounts payable	-	375	-	-	375
Accrued payroll	-	(5)	-	-	(5)
Accrued compensated absences	-	42	-	-	42
Accrued claims and judgements	-	(5)	-	-	(5)
OPEB liabilities	-	383	-	-	383
Net cash provided by (used for) operating activities	$ -	$ 7,032	$ (5)	$ -	$ 7,027
Noncash investing, capital and financing activities:					
Contributions of capital assets	$ -	$ 43	$ -	$ -	$ 43
Transfer of capital assets from governmental funds, net of depreciation	-	1,642	-	-	1,642
Capitalized interest	-	38	-	-	38
Amortization of bond premium, discount, and loss on refunding	-	-	-	28	28
Amortization of deferred charges	-	-	-	(8)	(8)
Capital asset acquisitions on accounts payable	74	152	-	836	1,062
Change in securities lending assets	-	(89)	-	-	(89)
Change in securities lending obligations	-	108	-	-	108

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INTERNAL SERVICE FUNDS

Internal service funds are established to account for goods or services provided by one department within the City to other departments on a cost reimbursement basis. The following are internal service funds:

THE FLEET MANAGEMENT FUND is used to account for the operation, maintenance and replacement of the City's fleet of vehicles that serve the transportation needs of all City departments and divisions.

THE RISK MANAGEMENT FUND is used to account for the City's risk management and insurance programs.

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City of Sacramento

Internal Service Funds

Combining Statement of Net Position

June 30, 2013

(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and investments held by City	$ 5,233	$ 78,241	$ 83,474
Cash and investments held by fiscal agent	-	220	220
Securities lending assets	-	6	6
Receivables, net:			
Accounts	297	32	329
Interest	-	278	278
Due from other funds	-	10,073	10,073
Prepaid items	118	1	119
Total current assets	5,648	88,851	94,499
Noncurrent assets:			
Advances to other funds	-	13,714	13,714
Deferred charges	25	-	25
Capital assets:			
Buildings and improvements	7,402	-	7,402
Machinery and equipment	457	-	457
Vehicles	123,502	-	123,502
Software	177	-	177
Less: accumulated depreciation/amortization	(75,082)	-	(75,082)
Total noncurrent assets	56,481	13,714	70,195
Total assets	62,129	102,565	164,694

City of Sacramento

Internal Service Funds

Combining Statement of Net Position

June 30, 2013
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
LIABILITIES			
Current liabilities:			
Securities lending obligations	-	90	90
Accounts payable	2,135	533	2,668
Accrued payroll	191	115	306
Accrued compensated absences	57	19	76
Interest payable	8	-	8
Deposits	-	17	17
Unearned revenue	-	512	512
Accrued claims and judgements	57	13,283	13,340
Capital leases payable	23	-	23
Revenue and other bonds payable, net	332	-	332
Total current liabilities	2,803	14,569	17,372
Noncurrent liabilities:			
Accrued compensated absences	764	398	1,162
OPEB liability	2,277	331	2,608
Accrued claims and judgements	-	46,567	46,567
Capital leases payable	149	-	149
Revenue and other bonds payable, net	2,732	-	2,732
Total noncurrent liabilities	5,922	47,296	53,218
Total liabilities	8,725	61,865	70,590
NET POSITION			
Net investment in capital assets	53,220	-	53,220
Unrestricted	184	40,700	40,884
Total net position	$ 53,404	$ 40,700	$ 94,104

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City of Sacramento

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Operating revenues:			
Charges for services:			
User fees and charges	$ 37,139	$ 23,644	$ 60,783
Miscellaneous	37	-	37
Total operating revenues	37,176	23,644	60,820
Operating expenses:			
Employee services	7,269	3,408	10,677
Services and supplies	20,066	6,628	26,694
Depreciation/amortization	9,280	-	9,280
Insurance premiums	-	2,875	2,875
Claims and judgements	88	16,445	16,533
Total operating expenses	36,703	29,356	66,059
Operating income (loss)	473	(5,712)	(5,239)
Nonoperating revenues (expenses):			
Interest and investment revenue	67	1,027	1,094
Revenue from other agencies	540	-	540
Insurance and other claim recoveries	-	240	240
Interest expense	(104)	-	(104)
Amortization of deferred charges	(3)	-	(3)
Gain (loss) on disposition of capital assets	89	-	89
Total nonoperating revenues (expenses)	589	1,267	1,856
Income (loss) before contributions and transfers	1,062	(4,445)	(3,383)
Transfers in	419	2	421
Transfers out	(517)	-	(517)
Change in net position	964	(4,443)	(3,479)
Total net position, beginning of year	52,440	45,143	97,583
Total net position, end of year	$ 53,404	$ 40,700	$ 94,104

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City of Sacramento

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from interfund services provided	$ 37,182	$ 84,559	$ 121,741
Payments to suppliers	(20,988)	(70,561)	(91,549)
Payments to employees	(6,941)	(3,293)	(10,234)
Claims and judgements paid	(82)	(12,528)	(12,610)
Net cash provided by (used for) operating activities	9,171	(1,823)	7,348
Cash flows from noncapital financing activities:			
Transfers in from other funds	-	2	2
Transfers out to other funds	(466)	-	(466)
Collections on interfund loans	-	43,611	43,611
Loans made to other funds	-	(9,823)	(9,823)
Intergovernmental revenue received	438	-	438
Claim and judgement recoveries	-	246	246
Net cash provided by (used for) noncapital financing activities	(28)	34,036	34,008
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(15,611)	-	(15,611)
Proceeds from sale of capital assets	494	-	494
Principal payments on capital debt	(335)	-	(335)
Interest payments on capital debt	(116)	-	(116)
Transfers in from other funds	368	-	368
Net cash used for capital and related financing activities	(15,200)	-	(15,200)
Cash flows from investing activities:			
Collection of interest and investment revenue	67	956	1,023
Settlements received for investments sold in prior year	-	410	410
Net cash provided by investing activities	67	1,366	1,433
Net increase in cash and cash equivalents	(5,990)	33,579	27,589
Cash and cash equivalents, beginning of year	11,223	44,882	56,105
Cash and cash equivalents, end of year	$ 5,233	$ 78,461	$ 83,694
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments held by City	$ 5,233	$ 78,241	$ 83,474
Cash and investments held by fiscal agent	-	220	220
	$ 5,233	$ 78,461	$ 83,694

City of Sacramento
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 473	$ (5,712)	$ (5,239)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation/amortization expense	9,280	-	9,280
Changes in assets and liabilities:			
Accounts receivable, net	6	-	6
Prepaid items	(118)	(1)	(119)
Accounts payable	(804)	(140)	(944)
Accrued payroll	(49)	(5)	(54)
Accrued compensated absences	(55)	52	(3)
Deposits	-	13	13
Unearned revenue	-	(15)	(15)
Accrued claims and judgements	6	3,917	3,923
OPEB liabilities	432	68	500
Net cash provided by (used for) operating activities	$ 9,171	$ (1,823)	$ 7,348
Noncash investing, capital and financing activities:			
Amortization of bond premium, discount, and loss on refunding	$ (10)	$ -	$ (10)
Amortization of deferred charges	(3)	-	(3)
Capital asset acquisitions on accounts payable	229	-	229
Change in securities lending assets	-	(178)	(178)
Change in securities lending obligations	-	197	197
Change in accounts receivable related to claim and judgement recoveries	-	(6)	(6)
Alternative fuel vehicle rebates received through reduction of purchase price	102	-	102
Sale of capital assets on accounts receivable	(233)	-	(233)

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INVESTMENT TRUST FUNDS

Investment trust funds account for assets and related liabilities of legally separate entities for which the City provides investment services.

Investment Pool is used to account for assets and liabilities held for external participants in the City Sponsored Investment Pool.

Individual Investment Accounts are used to account for assets and liabilities, held for entities external to the City, which are not invested in the City Sponsored Investment Pool.

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City of Sacramento

Investment Trust Funds
Combining Statement of Fiduciary Net Position

June 30, 2013
(in thousands)

	Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
ASSETS			
Cash and investments held by City	$ 60,440	$ 72,249	$ 132,689
Securities lending assets	5	1	6
Receivables, net:			
Interest	197	521	718
Total assets	60,642	72,771	133,413
LIABILITIES			
Securities lending obligations	14	312	326
NET POSITION			
Held in trust	$ 60,628	$ 72,459	$ 133,087

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City of Sacramento

Investment Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2013
(in thousands)

	Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
Additions:			
From investment activities:			
Net depreciation in fair value of investments	$ (233)	$ (365)	$ (598)
Interest	687	1,601	2,288
Total investment earnings	454	1,236	1,690
Less investment expenses:			
Banking, interest, and fiscal agent expenses	112	-	112
Net income from investing activities	342	1,236	1,578
From securities lending activities:			
Net appreciation in fair value of investments	1	-	1
Net investment income	343	1,236	1,579
Deposits	66,883	6,370	73,253
Total additions	67,226	7,606	74,832
Deductions:			
Withdrawals	65,310	21,322	86,632
Change in net position	1,916	(13,716)	(11,800)
Net position, beginning of year, as restated	58,712	86,175	144,887
Net position, end of year	$ 60,628	$ 72,459	$ 133,087

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AGENCY FUNDS

Agency funds account for assets held for other organizations, governments or private individuals and include:

THE ASSESSMENT DISTRICTS FUND is used to account for monies collected from parcel assessments to service debt issued for improvements in 1911 and 1915 Act districts in the City.

THE COMMUNITY FACILITIES DISTRICTS FUND is used to account for monies collected from special tax assessments to service debt issued for improvements and to pay other costs of Mello-Roos districts in the City.

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City of Sacramento

Agency Funds

Combining Statement of Changes in Fiduciary Assets and Liabilities

For the Fiscal Year Ended June 30, 2013

(in thousands)

ASSESSMENT DISTRICTS FUND	Balance Beginning of Fiscal Year	Additions	Deletions	Balance End of Fiscal Year
ASSETS				
Cash and investments held by City	$ 11,967	$ 2,496	$ 11,290	$ 3,173
Cash and investments held by fiscal agent	2,381	2,250	2,225	2,406
Receivables, net:				
Accounts	26	47	26	47
Interest	24	24	24	24
Total assets	$ 14,398	$ 4,817	$ 13,565	$ 5,650
LIABILITIES				
Accounts payable	$ -	$ 531	$ 529	$ 2
Due to bondholders	14,398	2,636	11,386	5,648
Total liabilities	$ 14,398	$ 3,167	$ 11,915	$ 5,650

COMMUNITY FACILITIES DISTRICTS FUND	Balance Beginning of Fiscal Year	Additions	Deletions	Balance End of Fiscal Year
ASSETS				
Cash and investments held by City	$ 16,780	$ 19,070	$ 18,073	$ 17,777
Cash and investments held by fiscal agent	15,532	22,791	23,799	14,524
Receivables, net:				
Taxes	379	171	379	171
Interest	19	-	19	-
Total assets	$ 32,710	$ 42,032	$ 42,270	$ 32,472
LIABILITIES				
Accounts payable	$ -	$ 2	$ 2	$ -
Due to bondholders	32,710	40,292	40,530	32,472
Total liabilities	$ 32,710	$ 40,294	$ 40,532	$ 32,472

TOTAL - ALL AGENCY FUNDS	Balance Beginning of Fiscal Year	Additions	Deletions	Balance End of Fiscal Year
ASSETS				
Cash and investments held by City	$ 28,747	$ 21,566	$ 29,363	$ 20,950
Cash and investments held by fiscal agent	17,913	25,041	26,024	16,930
Receivables, net:				
Taxes	379	171	379	171
Accounts	26	47	26	47
Interest	43	24	43	24
Total assets	$ 47,108	$ 46,849	$ 55,835	$ 38,122
LIABILITIES				
Accounts payable	$ -	$ 533	$ 531	$ 2
Due to bondholders	47,108	42,928	51,916	38,120
Total liabilities	$ 47,108	$ 43,461	$ 52,447	$ 38,122

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Statistical Section

Statistical Section

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends Information

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity Information

These schedules contain trend information to help the reader understand the City's most significant local revenue source, property taxes.

Debt Capacity Information

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Successor Agency Information

These schedules present revenue and debt capacity information related to the Successor Agency for the former Redevelopment Agency of the City of Sacramento. These schedules contain trend information to help the reader understand the Successor Agency's primary revenue source, property tax distributions from the county redevelopment property tax trust fund, and affordability of the Successor Agency's current level of outstanding debt.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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City of Sacramento
Net Position by Component [(1) (2) (3) (4) (5) (6)]
Last Ten Fiscal Years
(accrual basis accounting, in thousands)

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental activities					
Net investment in capital assets	$ 991,692	$ 1,083,420	$ 1,018,170	$ 1,161,730	$ 1,165,658
Restricted for:					
Capital projects	110,794	52,773	149,982	155,596	239,377
Debt service	11,508	9,882	797	509	531
Public works programs	-	-	-	-	-
Economic development programs	-	-	-	-	-
Other programs	21,394	24,801	28,634	31,649	30,996
Housing and redevelopment	273,473	274,130	-	-	-
Trust and endowments:					
Expendable	4,962	1,927	5,368	6,513	6,159
Nonexpendable	1,927	2,920	1,927	1,927	1,934
Unrestricted	(111,552)	(71,536)	155,072	145,750	124,408
Total governmental activities net position	$ 1,304,198	$ 1,378,317	$ 1,359,950	$ 1,503,674	$ 1,569,063
Business-type activities					
Net investment in capital assets	$ 782,620	$ 839,889	$ 623,208	$ 634,966	$ 656,951
Restricted for:					
Capital projects	-	-	425	425	-
Housing and redevelopment	3,421	1,776	-	-	-
Other programs	-	1,038	-	-	-
Unrestricted	113,957	93,751	115,223	119,050	119,975
Total business-type activities net position	$ 899,998	$ 936,454	$ 738,856	$ 754,441	$ 776,926
Primary government					
Net investment in capital assets	$ 1,774,312	$ 1,923,309	$ 1,641,378	$ 1,796,696	$ 1,822,609
Restricted for:					
Capital projects	110,794	52,773	150,407	156,021	239,377
Debt service	11,508	9,882	797	509	531
Public works programs	-	-	-	-	-
Economic development programs	-	-	-	-	-
Other programs	21,394	25,839	28,634	31,649	30,996
Housing and redevelopment	276,894	275,906	-	-	-
Trust and endowments:					
Expendable	4,962	1,927	5,368	6,513	6,159
Nonexpendable	1,927	2,920	1,927	1,927	1,934
Unrestricted	2,405	22,215	270,295	264,800	244,383
Total primary government net position	$ 2,204,196	$ 2,314,771	$ 2,098,806	$ 2,258,115	$ 2,345,989

Notes:
(1) The Sacramento Housing and Redevelopment Agency, reported as a blended component unit until fiscal year 2005, has been eliminated from the City's subsequent financial statements.
(2) The fiscal year 2006 beginning net position has been restated by $339 Million.
(3) The fiscal year 2008 amounts for governmental activities net assets invested in capital assets, net of related debt, and restricted net assets have been reclassified.
(4) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".
(5) The fiscal year 2013 net position restricted for economic development includes the remaining Sheraton proceeds restricted by the Master Owner Participation Agreement with Taylor/CIM Redevelopment Company, LLC.
(6) Net position for governmental activities for all fiscal years presented have been restated to remove the Cal EPA building and land.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Net Position by Component (1) (2) (3) (4) (5) (6)
Last Ten Fiscal Years
(accrual basis accounting, in thousands)

	Fiscal Year				
	2009	2010	2011	2012	2013
Governmental activities					
Net investment in capital assets	$ 1,249,993	$ 1,286,576	$ 1,328,932	$ 1,367,540	$ 1,371,964
Restricted for:					
Capital projects	221,594	186,619	156,157	149,904	131,822
Debt service	544	494	1,105	1,101	641
Public works programs	-	-	21,484	18,103	16,756
Economic development programs	-	-	-	-	23,979
Other programs	30,836	32,443	23,544	23,274	21,087
Housing and redevelopment	-	-	-	-	-
Trust and endowments					
Expendable	4,442	4,690	5,659	6,870	7,225
Nonexpendable	1,934	1,934	1,934	878	878
Unrestricted	84,092	76,953	16,107	6,128	4,731
Total governmental activities net position	$ 1,593,435	$ 1,589,709	$ 1,554,922	$ 1,573,798	$ 1,579,083
Business-type activities					
Net investment in capital assets	$ 687,417	$ 691,197	$ 701,157	$ 705,527	$ 717,452
Restricted for:					
Capital projects	16,866	25,781	30,184	33,209	33,168
Housing and redevelopment	-	-	-	-	-
Other programs	-	-	-	530	349
Unrestricted	92,458	106,148	113,804	123,265	144,919
Total business-type activities net assets	$ 796,741	$ 823,126	$ 845,145	$ 862,531	$ 895,888
Primary government					
Net investment in capital assets	$ 1,937,410	$ 1,977,773	$ 2,030,089	$ 2,073,067	$ 2,089,416
Restricted for:					
Capital projects	238,460	212,400	186,341	183,113	164,990
Debt service	544	494	1,105	1,101	641
Public works programs	-	-	21,484	18,103	16,756
Economic development programs	-	-	-	-	23,979
Other programs	30,836	32,443	23,544	23,804	21,436
Housing and redevelopment	-	-	-	-	-
Trust and endowments					
Expendable	4,442	4,690	5,659	6,870	7,225
Nonexpendable	1,934	1,934	1,934	878	878
Unrestricted	176,550	183,101	129,911	129,393	149,650
Total primary government net position	$ 2,390,176	$ 2,412,835	$ 2,400,067	$ 2,436,329	$ 2,474,971

Notes:
(1) The Sacramento Housing and Redevelopment Agency, reported as a blended component unit until fiscal year 2005, has been eliminated from the City's subsequent financial statements.
(2) The fiscal year 2006 beginning net position has been restated by $339 Million.
(3) The fiscal year 2008 amounts for governmental activities net assets invested in capital assets, net of related debt, and restricted net assets have been reclassified.
(4) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".
(5) The fiscal year 2013 net position restricted for economic development includes the remaining Sheraton proceeds restricted by the Master Owner Participation Agreement with Taylor/CIM Redevelopment Company, LLC.
(6) Net position for governmental activities for all fiscal years presented have been restated to remove the Cal EPA building and land.

Source: City of Sacramento Comprehensive Annual Financial Reports

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City of Sacramento
Changes in Net Position [1] [2] [3]
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2004	2005	2006	2007	2008
Expenses [3]					
Governmental Activities					
General government	$ 26,739	$ 28,759	$ 38,804	$ 41,536	$ 49,841
Police	106,676	124,204	134,213	148,586	159,207
Fire	57,799	74,606	87,844	97,044	104,149
Public works	105,348	-	-	-	-
General services	-	18,437	15,788	14,437	24,462
Transportation	-	71,871	88,749	89,063	89,016
Economic development	4,283	-	8,212	8,538	10,048
Convention, culture & leisure	6,823	6,824	17,825	19,602	21,518
Parks and recreation	41,486	44,534	49,341	55,661	60,930
Code enforcement	-	-	7,184	9,946	10,154
Community development	-	-	-	-	-
Neighborhood services	6,883	7,880	2,560	2,505	1,667
Planning and development	18,780	-	-	-	-
Development services	-	67,852	36,739	27,851	30,247
Planning	-	-	-	8,158	6,830
Housing and redevelopment	46,774	64,018	-	-	-
Library	8,185	8,505	9,147	9,433	9,935
Nondepartmental	32,473	36,492	-	-	-
Interest on long-term debt	29,306	31,752	22,693	31,067	31,157
Total governmental activities expenses	491,555	585,734	519,099	563,427	609,161
Business type activities					
Water	47,843	51,950	55,896	58,890	63,364
Wastewater	12,734	13,447	14,685	17,171	18,330
Storm drainage	27,010	34,988	34,544	36,473	38,570
Solid waste	36,102	39,260	40,329	45,050	48,735
Community center	18,310	19,066	19,333	19,704	20,507
Child development	4,492	5,092	5,666	5,868	6,604
Marina	1,656	1,684	1,437	1,384	1,257
Parking	13,580	14,115	14,056	16,375	17,154
Advanced life support	7,823	-	-	-	-
Golf	6,846	6,719	-	-	-
Housing and redevelopment	123,892	135,282	-	-	-
Total business-type activities	300,288	321,603	185,946	200,915	214,521
Total primary government expenses	$ 791,843	$ 907,337	$ 705,045	$ 764,342	$ 823,682

Notes: (1) The Sacramento Housing and Redevelopment Agency, reported as a blended component unit until fiscal year 2005, has been eliminated from the City's subsequent financial statements.

(2) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

(3) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Net Position [1] [2] [3]
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2009	2010	2011	2012	2013
Expenses [3]					
Governmental Activities					
General government	$ 45,956	$ 44,278	$ 42,238	$ 40,846	$ 36,870
Police	153,874	152,922	159,908	153,392	157,432
Fire	107,119	109,210	111,174	116,418	117,451
Public works	-	-	-	-	126,636
General services	25,067	26,110	22,614	23,083	15,343
Transportation	95,238	89,358	97,350	98,384	-
Economic development	10,055	9,815	10,467	9,704	10,468
Convention, culture & leisure	18,573	18,064	21,348	19,857	17,684
Parks and recreation	54,209	51,984	56,162	45,448	48,457
Code enforcement	10,882	10,984	-	-	-
Community development	-	18,848	25,821	24,286	29,253
Neighborhood services	1,370	1,105	-	-	-
Planning and development	-	-	-	-	-
Development services	24,063	-	-	-	-
Planning	2,973	-	-	-	-
Housing and redevelopment	-	-	-	-	-
Library	13,976	16,827	14,635	13,301	13,753
Nondepartmental	-	-	-	-	-
Interest on long-term debt	29,284	29,658	24,903	23,583	22,420
Total governmental activities expenses	592,639	579,163	586,620	568,302	595,767
Business type activities					
Water	66,757	60,902	63,073	67,335	66,756
Wastewater	20,498	17,389	18,990	20,491	22,283
Storm drainage	38,483	37,040	37,815	37,692	36,759
Solid waste	67,911	47,076	48,203	53,205	49,803
Community center	20,342	19,563	18,530	18,125	17,358
Child development	7,617	6,797	6,274	5,885	6,116
Marina	1,045	1,625	2,662	2,008	1,853
Parking	16,009	16,390	15,786	15,732	15,376
Advanced life support	-	-	-	-	-
Golf	-	-	-	-	-
Housing and redevelopment	-	-	-	-	-
Total business-type activities	238,662	206,782	211,333	220,473	216,304
Total primary government expenses	$ 831,301	$ 785,945	$ 797,953	$ 788,775	$ 812,071

Notes: (1) The Sacramento Housing and Redevelopment Agency, reported as a blended component unit until fiscal year 2005, has been eliminated from the City's subsequent financial statements.

(2) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

(3) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Net Position [(1) (2) (3)]
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2004	2005	2006	2007	2008
Program Revenues					
Governmental activities					
Charge for services					
General government	$ 4,766	$ 4,768	$ 4,902	$ 5,333	$ 5,233
Police	3,126	3,456	3,986	3,959	4,203
Fire	5,022	16,854	18,721	17,579	17,936
Public works	39,942	-	-	-	-
General services	-	7,600	9,636	10,327	10,471
Transportation	-	12,097	15,058	14,261	19,574
Economic development	212	-	5,235	5,905	8,143
Convention, culture & leisure	4,526	1,970	8,995	9,759	9,425
Parks and recreation	4,193	4,794	15,907	17,142	13,343
Code enforcement	-	-	1	2,417	3,800
Community development	-	-	-	-	-
Neighborhood services	2,755	2,714	2,969	1,085	123
Planning and development	17,600	-	-	-	-
Development services	-	43,941	27,834	25,261	19,867
Planning	-	-	-	4	114
Housing and redevelopment	1,389	1,311	-	-	-
Nondepartmental	376	494	-	-	-
Total charge for services	83,907	99,999	113,244	113,032	112,232
Operating grants and contributions	59,821	77,052	59,348	52,805	51,845
Capital grants and contributions	204,955	147,034	122,010	189,710	141,919
Total governmental activities program revenues	348,683	324,085	294,602	355,547	305,996
Business - type activities					
Charge for services					
Water	45,994	49,009	53,480	58,363	65,411
Wastewater	15,304	16,332	17,285	18,609	20,704
Storm drainage	30,086	31,336	31,400	31,981	33,289
Solid waste	38,423	42,241	42,984	46,351	52,434
Community center	5,843	6,391	6,743	7,348	7,556
Child development	4,361	4,766	5,086	5,377	5,587
Marina	1,711	1,745	1,889	1,827	1,378
Parking	16,210	16,422	17,342	18,706	19,626
Advanced life support	11,035	-	-	-	-
Golf	6,329	6,408	-	-	-
Housing and redevelopment	10,899	13,720	-	-	-
Total charge for services	186,195	188,370	176,209	188,562	205,985
Operating grants and contributions	99,582	112,326	1,230	1,422	1,824
Capital grants and contributions	18,592	35,318	31,638	14,728	11,661
Total business - type activities program revenues	304,369	336,014	209,077	204,712	219,470
Total primary government program revenues	$ 653,052	$ 660,099	$ 503,679	$ 560,259	$ 525,466
Net (Expense) Revenue					
Governmental activities	$ (142,872)	$ (261,649)	$ (224,497)	$ (207,880)	$ (303,165)
Business - type activities	4,081	14,411	23,131	3,797	4,949
Total primary government net expenses	$ (138,791)	$ (247,238)	$ (201,366)	$ (204,083)	$ (298,216)

Notes: (1) The Sacramento Housing and Redevelopment Agency, reported as a blended component unit until fiscal year 2005, has been eliminated from the City's subsequent financial statements.

(2) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

(3) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Net Position [(1) (2) (3)]
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2009	2010	2011	2012	2013
Program Revenues					
Governmental activities					
Charge for services					
General government	$ 5,290	$ 6,614	$ 5,827	$ 5,608	$ 6,924
Police	4,819	4,098	10,316	9,714	9,693
Fire	24,448	22,711	21,998	21,643	24,288
Public works	-	-	-	-	28,321
General services	10,878	9,964	10,442	10,965	3,175
Transportation	26,391	28,857	28,614	28,309	-
Economic development	8,345	8,497	9,136	8,800	8,685
Convention, culture & leisure	11,026	9,689	9,364	7,985	7,669
Parks and recreation	10,187	10,122	10,039	11,579	10,604
Code enforcement	7,932	5,627	-	-	-
Community development	-	8,752	15,409	15,459	15,423
Neighborhood services	195	166	-	-	-
Planning and development	-	-	-	-	-
Development services	16,115	-	-	-	-
Planning	108	-	-	-	-
Housing and redevelopment	-	-	-	-	-
Library	-	-	-	-	33
Nondepartmental	-	-	-	-	-
Total charge for services	125,734	115,097	121,145	120,062	114,815
Operating grants and contributions	53,206	59,179	51,289	54,287	81,822
Capital grants and contributions	119,689	90,888	69,234	112,247	69,323
Total governmental activities program revenues	298,629	265,164	241,668	286,596	265,960
Business - type activities					
Charge for services					
Water	62,619	70,463	79,315	79,809	88,754
Wastewater	19,775	20,284	21,360	21,513	25,134
Storm drainage	32,747	34,082	34,160	34,545	35,682
Solid waste	55,949	58,901	62,906	64,055	60,295
Community center	7,651	7,020	6,780	7,521	7,130
Child development	5,640	5,473	5,309	5,232	5,426
Marina	1,748	1,782	1,464	1,359	1,148
Parking	18,661	18,784	18,660	18,769	18,823
Advanced life support	-	-	-	-	-
Golf	-	-	-	-	-
Housing and redevelopment	-	-	-	-	-
Total charge for services	204,790	216,789	229,954	232,803	242,392
Operating grants and contributions	2,343	2,381	2,358	3,744	1,095
Capital grants and contributions	38,094	14,148	10,417	5,289	7,480
Total business - type activities program revenues	245,227	233,318	242,729	241,836	250,967
Total primary government program revenues	$ 543,856	$ 498,482	$ 484,397	$ 528,432	$ 516,927
Net (Expense) Revenue					
Governmental activities	$ (294,010)	$ (313,999)	$ (344,952)	$ (281,706)	$ (329,807)
Business - type activities	6,565	26,536	31,396	21,363	34,663
Total primary government net expenses	$ (287,445)	$ (287,463)	$ (313,556)	$ (260,343)	$ (295,144)

Notes: (1) The Sacramento Housing and Redevelopment Agency, reported as a blended component unit until fiscal year 2005, has been eliminated from the City's subsequent financial statements.

(2) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

(3) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Net Position [1] [2] [3]
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2004	2005	2006	2007	2008
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes:					
Property taxes	$ 63,877	$ 70,456	$ 112,234	$ 127,454	$ 137,782
Redevelopment tax increment	35,314	40,676	-	-	-
Utility user taxes	52,538	53,893	56,243	55,619	57,561
Other taxes	25,984	30,668	32,002	28,379	23,865
Sales taxes shared state revenue	61,822	55,342	59,118	55,846	54,821
In-lieu sales tax	-	15,284	13,956	18,197	16,344
In-lieu motor vehicle tax	27,179	26,393	-	-	-
Grants and other intergovernmental revenue not restricted to specific programs	4,137	-	-	-	-
Investment earnings	18,290	24,751	21,741	39,867	34,343
Miscellaneous	6,966	10,267	7,516	12,544	12,142
Contributions to permanent fund	124	-	1	1	7
Gain (loss) on disposition of capital assets	-	3,437	-	-	-
Special items, net	-	-	-	-	18,791
Transfers	(25,546)	(9,800)	8,159	13,698	12,898
Total Governmental activities	270,685	321,367	310,970	351,605	368,554
Business-type activities					
Taxes:					
Other taxes	13,436	14,398	15,419	17,258	17,538
Investment earnings	2,437	4,342	5,231	8,227	6,898
Miscellaneous	676	1,015	3	1	353
Gain (loss) on disposition of capital assets	-	6,891	722	-	5,645
Transfers	25,546	9,800	(8,159)	(13,698)	(12,898)
Total business-type activities	42,095	36,446	13,216	11,788	17,536
Total primary government	$ 312,780	$ 357,813	$ 324,186	$ 363,393	$ 386,090
Change in Net Position					
Governmental activities	$ 127,813	$ 59,718	$ 86,473	$ 143,725	$ 70,338
Business-type activities	46,176	50,857	36,347	15,585	17,536
Total primary government	$ 173,989	$ 110,575	$ 122,820	$ 159,310	$ 87,874

Notes: (1) The Sacramento Housing and Redevelopment Agency, reported as a blended component unit until fiscal year 2005, has been eliminated from the City's subsequent financial statements.

(2) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

(3) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Net Position [1] [2] [3]
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes:					
Property taxes	$ 135,806	$ 123,681	$ 118,801	$ 114,874	$ 114,451
Redevelopment tax increment	-	-	-	-	-
Utility user taxes	57,775	58,693	58,907	58,787	59,066
Other taxes	20,358	18,591	18,327	17,403	27,943
Sales taxes shared state revenue	48,905	46,769	47,680	50,683	52,300
In-lieu sales tax	15,745	14,332	14,548	14,081	16,113
In-lieu motor vehicle tax	-	-	-	-	-
Grants and other intergovernmental revenue not restricted to specific programs	4,224	4,591	2,610	-	-
Investment earnings	14,896	11,508	6,260	10,953	10,089
Miscellaneous	10,368	12,743	12,464	11,005	9,749
Contributions to permanent fund	-	-	4	1	1
Gain (loss) on disposition of capital assets	2,912	-	2,336	-	-
Special items, net	(929)	-	-	-	26,208
Transfers	8,348	19,365	28,229	22,722	19,172
Total Governmental activities	318,408	310,273	310,166	300,509	335,092
Business-type activities					
Taxes:					
Other taxes	15,852	14,233	15,403	15,781	16,555
Investment earnings	5,746	4,964	3,449	2,957	1,311
Miscellaneous	-	-	-	-	-
Gain (loss) on disposition of capital assets	-	17	-	7	-
Transfers	(8,348)	(19,365)	(28,229)	(22,722)	(19,172)
Total business-type activities	13,250	(151)	(9,377)	(3,977)	(1,306)
Total primary government	$ 331,658	$ 310,122	$ 300,789	$ 296,532	$ 333,786
Change in Net Position					
Governmental activities	$ 24,398	$ (3,726)	$ (34,786)	$ 18,803	$ 5,285
Business-type activities	19,815	26,385	22,019	17,386	33,357
Total primary government	$ 44,213	$ 22,659	$ (12,767)	$ 36,189	$ 38,642

Notes: (1) The Sacramento Housing and Redevelopment Agency, reported as a blended component unit until fiscal year 2005, has been eliminated from the City's subsequent financial statements.

(2) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

(3) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

Source: City of Sacramento Comprehensive Annual Financial Reports

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City of Sacramento
Fund Balances, Governmental Funds [1] [2]
Last Ten Fiscal Years
(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2004	2005	2006	2007	2008
General Fund					
Reserved for:					
Noncurrent assets	$ 1,200	$ 1,305	$ 1,074	$ 987	$ 1,604
Encumbrances	12,410	10,790	14,089	17,070	8,947
Inventories and prepaids	-	-	-	-	449
Unreserved	109,868	141,331	133,573	113,421	87,962
Nonspendable:					
Prepaid items	-	-	-	-	-
Noncurrent assets	-	-	-	-	-
Restricted:					
Other programs	-	-	-	-	-
Committed:					
Economic uncertainty	-	-	-	-	-
Capital projects	-	-	-	-	-
Community center theater renovation	-	-	-	-	-
OPEB trust fund	-	-	-	-	-
Other programs	-	-	-	-	-
Assigned:					
Unrealized investment gains	-	-	-	-	-
Next year's budget	-	-	-	-	-
Total general fund	$ 123,478	$ 153,426	$ 148,736	$ 131,478	$ 98,962
All Other Governmental Funds					
Reserved for:					
Noncurrent assets	$ 68,152	$ 70,511	$ 993	$ 935	$ 875
Encumbrances	70,611	67,585	32,087	33,855	113,669
Debt service	23,485	24,721	23,138	22,568	22,634
Inventories and prepaids	-	-	-	-	1,344
Housing/redevelopment	1,410	106,624	-	-	-
Trust obligations	1,927	1,927	1,927	1,927	1,934
Capital projects	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	76,971	75,224	80,115	34,125	79,289
Capital projects funds	214,811	58,302	192,768	276,582	131,595
Debt service funds	6,558	13,959	7,615	7,651	9,200
Permanent funds	2,706	2,920	3,131	3,855	3,700
Nonspendable:					
Prepaid items	-	-	-	-	-
Noncurrent assets	-	-	-	-	-
Permanent fund principal	-	-	-	-	-
Restricted:					
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Public works programs	-	-	-	-	-
Economic development programs	-	-	-	-	-
Other programs	-	-	-	-	-
Committed:					
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Other programs	-	-	-	-	-
Assigned:					-
Debt service	-	-	-	-	-
Unrealized investment gains	-	-	-	-	-
Other programs	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 466,631	$ 421,773	$ 341,774	$ 381,498	$ 364,240

Notes: (1) The Sacramento Housing and Redevelopment Agency, reported as a blended component until fiscal year 2005, has been eliminated from the City's subsequent financial statements.

(2) The City of Sacramento implemented GASB 54 for the period ended June 30, 2011. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Fund Balances, Governmental Funds [1] [2]
Last Ten Fiscal Years
(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2009	2010	2011	2012	2013
General Fund					
Reserved for:					
Noncurrent assets	$ 969	$ 514	$ -	$ -	$ -
Encumbrances	5,189	6,301	-	-	-
Inventories and prepaids	316	304	-	-	-
Unreserved	65,614	47,988	-	-	-
Nonspendable:					
Prepaid items	-	-	63	23	24
Noncurrent assets	-	-	245	71	48
Restricted:					
Other programs	-	-	86	64	40
Committed:					
Economic uncertainty	-	-	14,340	20,263	27,765
Capital projects	-	-	19,612	21,542	21,789
Community center theater renovation	-	-	-	-	8,500
OPEB trust fund	-	-	-	-	2,000
Other programs	-	-	12,468	9,349	9,347
Assigned:					
Unrealized investment gains	-	-	972	402	-
Next year's budget	-	-	5,138	9,354	10,446
Total general fund	$ 72,088	$ 55,107	$ 52,924	$ 61,068	$ 79,959
All Other Governmental Funds					
Reserved for:					
Noncurrent assets	$ 746	$ 1,149	$ -	$ -	$ -
Encumbrances	78,390	30,000	-	-	-
Debt service	20,517	20,269	-	-	-
Inventories and prepaids	35	35	-	-	-
Housing/redevelopment	-	-	-	-	-
Trust obligations	1,934	1,934	-	-	-
Capital projects	-	2,210	-	-	-
Unreserved, reported in:					
Special revenue funds	73,626	93,583	-	-	-
Capital projects funds	104,824	100,308	-	-	-
Debt service funds	9,868	10,047	-	-	-
Permanent funds	2,567	2,798	-	-	-
Nonspendable:					
Prepaid items	-	-	30	29	44
Noncurrent assets	-	-	1,577	605	530
Permanent fund principal	-	-	1,934	878	878
Restricted:					
Capital projects	-	-	161,365	150,475	135,069
Debt service	-	-	20,870	18,230	17,472
Public works programs	-	-	-	-	13,781
Economic development programs	-	-	-	-	23,970
Other programs	-	-	50,264	50,026	31,115
Committed:					
Capital projects	-	-	606	469	3,666
Debt service	-	-	2,278	2,278	2,278
Other programs	-	-	646	2,096	6,266
Assigned:					
Debt service	-	-	2,878	2,068	1,805
Unrealized investment gains	-	-	120	42	100
Other programs	-	-	2,281	4,093	3,758
Unassigned	-	-	(31,287)	(48,094)	(30,762)
Total all other governmental funds	$ 292,507	$ 262,333	$ 213,562	$ 183,195	$ 209,970

Notes: (1) The Sacramento Housing and Redevelopment Agency, reported as a blended component until fiscal year 2005, has been eliminated from the City's subsequent financial statements.

(2) The City of Sacramento implemented GASB 54 for the period ended June 30, 2011. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Source: City of Sacramento Comprehensive Annual Financial Reports

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City of Sacramento
Changes in Fund Balances, Governmental Funds [1]
Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2004	2005	2006	2007	2008
Revenues					
Taxes	$ 249,050	$ 269,695	$ 273,010	$ 287,254	$ 286,498
Intergovernmental	137,234	167,448	134,905	148,521	137,341
Charges for services	45,226	58,836	64,063	64,902	63,285
Fines, forfeits and penalties	7,223	7,804	8,065	8,285	9,916
Interest, rents, and concessions	13,998	17,278	18,195	34,398	28,430
Community service fees	45,936	40,315	64,360	40,386	16,831
Assessment levies	17,387	18,443	19,374	21,424	25,894
Contributions from property owners	54,936	46,343	3,942	44,099	31,753
Donations	215	63	94	-	-
Miscellaneous	3,098	3,670	1,463	395	296
Total revenues	574,303	629,895	587,471	649,664	600,244
Expenditures					
General Government	24,503	25,886	30,456	31,172	33,778
Police	105,089	121,548	137,391	149,159	148,392
Fire	56,986	73,360	87,648	91,965	94,284
General Services	-	16,325	14,925	14,348	23,198
Transportation	-	22,038	34,691	37,598	30,235
Neighborhood Services	6,883	7,880	1,917	1,815	1,547
Convention, Culture & Leisure	4,829	4,847	13,060	15,074	16,080
Economic Development	2,361	-	5,461	5,882	8,035
Parks and Recreation	37,167	38,898	43,477	47,884	53,499
Code enforcement	-	-	7,184	9,713	9,595
Community Development	-	-	-	-	-
Library	7,636	7,997	8,587	8,868	9,366
Utilities	274	219	109	109	83
Nondepartmental	26,336	32,284	24,811	18,526	27,373
Citywide and community support	-	-	-	-	-
Public Works	48,466	-	-	-	-
Development Services	-	66,785	35,802	32,600	28,261
Planning	-	-	-	8,079	5,626
Housing and Redevelopment	47,231	58,399	-	-	-
Planning and Building	17,560	-	-	-	-
Capital Outlay					
City	143,414	127,157	95,683	193,954	153,507
SHRA	12,678	10,229	-	-	-
Subtotal - capital outlay	156,092	137,386	95,683	193,954	153,507
Debt Service					
City					
Principal	26,449	21,260	21,213	17,253	19,529
Interest and fiscal charges	20,163	19,415	21,973	30,216	30,689
Bond issuance costs	-	-	2,600	1,519	607
Advance refunding escrow	-	-	1,154	213	-
SHRA					
Principal	11,445	12,978	-	-	-
Interest and fiscal charges	14,782	16,382	-	-	-
Subtotal - debt service	72,839	70,035	46,940	49,201	50,825
Total Expenditures	614,252	683,887	588,142	715,947	693,684
Excess (deficiency) of revenues over (under) expenditures	(39,949)	(53,992)	(671)	(66,283)	(93,440)
Other Financing Sources (uses)					
Transfers in	90,952	57,544	52,864	56,203	58,989
Transfers out	(114,577)	(53,208)	(38,609)	(37,441)	(39,780)
Issuance of long-term debt	137,436	14,983	212,339	147,281	5,666
Premium on long term debt	-	-	7,447	14,857	-
Proceeds from sale of property	6,427	5,286	-	-	-
Proceeds of long-term capital-related debt	-	-	-	-	-
Payments to participating governments	-	-	(25,500)	-	-
Payments to refunded bond escrow	(2,712)	-	(63,560)	(92,151)	-
Discount on long-term debt	(1,245)	-	-	-	-
Total other financing sources (uses)	116,281	24,605	144,981	88,749	24,875
Special items, net	-	-	-	-	18,791
Net change in fund balances	$ 76,332	$ (29,387)	$ 144,310	$ 22,466	$ (49,774)
Debt services as a percentage of noncapital expenditures	15.90%	12.82%	9.53%	9.43%	9.41%

Note: (1) The Sacramento Housing and Redevelopment Agency, reported as a blended component unit until fiscal year 2005, has been eliminated from the City's subsequent financial statements.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Fund Balances, Governmental Funds [1]
Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2009	2010	2011	2012	2013
Revenues					
Taxes	$ 277,370	$ 260,749	$ 254,705	$ 256,564	$ 265,605
Intergovernmental	161,418	174,214	125,758	154,937	154,556
Charges for services	70,403	62,962	67,831	62,760	65,244
Fines, forfeits and penalties	12,213	12,118	11,093	11,891	9,892
Interest, rents, and concessions	15,414	10,928	9,627	15,494	13,909
Community service fees	13,297	7,875	3,647	3,058	7,136
Assessment levies	33,204	31,970	33,482	35,294	37,621
Contributions from property owners	8,132	7,972	9,440	6,170	14,269
Donations	-	-	-	-	-
Miscellaneous	212	196	411	2,090	3,441
Total revenues	591,663	568,984	515,994	548,258	571,673
Expenditures					
General Government	31,938	27,471	26,049	24,610	22,712
Police	145,148	147,059	144,081	142,204	138,779
Fire	99,613	102,430	97,573	98,749	99,630
General Services	23,396	21,025	19,353	19,388	10,306
Transportation	32,902	31,023	29,708	33,183	-
Neighborhood Services	1,363	1,007	-	-	-
Convention, Culture & Leisure	15,116	13,196	13,291	10,670	9,804
Economic Development	9,472	9,136	9,819	9,396	10,221
Parks and Recreation	45,845	40,312	36,650	30,393	32,257
Code enforcement	10,605	10,279	-	-	-
Community Development	-	15,873	23,307	21,819	23,568
Library	13,406	12,366	12,398	11,739	12,362
Utilities	67	67	137	97	979
Nondepartmental	26,028	26,818	33,407	32,269	-
Citywide and community support	-	-	-	-	33,105
Public Works	-	-	-	-	34,995
Development Services	21,881	-	-	-	-
Planning	2,709	-	-	-	-
Housing and Redevelopment	-	-	-	-	-
Planning and Building	-	-	-	-	-
Capital Outlay					
City	180,125	156,146	91,902	118,259	116,705
SHRA	-	-	-	-	-
Subtotal - capital outlay	180,125	156,146	91,902	118,259	116,705
Debt Service					
City					
Principal	45,789	18,577	44,189	21,595	19,470
Interest and fiscal charges	30,468	29,697	25,209	24,028	22,949
Bond issuance costs	-	-	-	-	-
Advance refunding escrow	-	-	-	-	-
SHRA					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Subtotal - debt service	76,257	48,274	69,398	45,623	42,419
Total Expenditures	735,871	662,482	607,073	598,399	587,842
Excess (deficiency) of revenues over (under) expenditures	(144,208)	(93,498)	(91,079)	(50,141)	(16,169)
Other Financing Sources (uses)					
Transfers in	65,076	53,621	58,006	55,435	55,166
Transfers out	(33,695)	(30,241)	(27,025)	(27,590)	(27,450)
Issuance of long-term debt	10,981	22,963	6,808	73	-
Premium on long term debt	-	-	-	-	-
Proceeds from sale of property	2,992	-	2,336	-	-
Proceeds of long-term capital-related debt	-	-	-	-	2,837
Payments to participating governments	-	-	-	-	-
Payments to refunded bond escrow	-	-	-	-	-
Discount on long-term debt	-	-	-	-	-
Total other financing sources (uses)	45,354	46,343	40,125	27,918	30,553
Special items, net	(929)	-	-	-	31,208
Net change in fund balances	$ (99,783)	$ (47,155)	$ (50,954)	$ (22,223)	$ 45,592
Debt services as a percentage of noncapital expenditures	13.72%	9.35%	13.06%	9.41%	8.35%

Note: (1) The Sacramento Housing and Redevelopment Agency, reported as a blended component unit until fiscal year 2005, has been eliminated from the City's subsequent financial statements.

Source: City of Sacramento Comprehensive Annual Financial Reports

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City of Sacramento
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

Fiscal Year	Property	Tax Increment	Sales & Use	Utility Users	Others	Total
2004	64,377	35,314	66,234	52,538	30,587	249,050
2005	70,405	40,676	70,627	53,893	34,094	269,695
2006 (2)	112,144 (1)	-	72,479	56,243	32,144	273,010
2007	145,376 (3)	-	56,441	55,618	29,819	287,254
2008	150,901	-	54,821	57,561	23,215	286,498
2009	151,551	-	48,905	57,775	19,139	277,370
2010	140,013	-	45,670	58,700	16,366	260,749
2011	133,099	-	47,680	58,887	15,039	254,705
2012	130,287	-	50,683	58,787	16,807	256,564
2013	130,864 (4)	-	57,121 (5)	59,066	18,554	265,605

Notes: (1) Property taxes in fiscal year 2006 include approximately $30 million of in-lieu vehicle license fee revenue reported as intergovernmental revenues in fiscal year 2005.

(2) The Sacramento Housing and Redevelopment Agency, reported as a blended component unit until fiscal year 2005, has been eliminated from the City's subsequent financial statements.

(3) In lieu sales tax was reported as intergovernmental revenue in fiscal year 2006. This revenue is reported as property tax in fiscal year 2007 and subsequent fiscal years.

(4) Includes residual property tax from redevelopment agency dissolution.

(5) Includes Measure U local sales and use tax.

Sources: (A) City of Sacramento Comprehensive Annual Financial Reports

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City of Sacramento

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

(in thousands)

Fiscal Year End June 30	Gross Assessed Value (1) Real Property	Personal Property	Public Utility	Total	Exemptions	Net Assessed Taxable Value	Total Direct Tax Rate (2)
2004	$ 23,859,347	$ 1,168,917	$ 60,909	25,089,173	$ 489,478	$ 24,599,695	1.00
2005 (3)	27,010,976	1,343,104	57,800	28,411,880	500,620	27,911,260	1.00
2006	31,112,448	1,374,566	56,950	32,543,964	506,813	32,037,151	1.00
2007	35,687,712	1,441,042	54,611	37,183,365	509,257	36,674,108	1.00
2008	39,286,839	1,548,914	15,371 (4)	40,851,124	505,519	40,345,605	1.00
2009	40,360,550	1,691,096	11,948	42,063,594	503,159	41,560,435	1.00
2010	37,446,222	1,819,726	11,937	39,277,885	499,878	38,778,007	1.00
2011	36,388,660	1,742,824	11,977	38,143,461	496,459	37,647,002	1.00
2012	35,267,406	1,711,462	12,132	36,991,000	488,888	36,502,112	1.00
2013	34,332,037	1,626,943	13,157	35,972,137	477,326	35,494,811	1.00

Notes: (1) Article XIII A, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value appeared on the Assessor's 1975-76 assessment roll. Therefore, full cash value can be increased to reflect:

a) annual inflation up to 2%
b) current market value at time of ownership change;
c) market value for new construction.

Estimated actual value of taxable property cannot easily determined as the property in the City is not reassessed annually. Reassessment normally occurs when ownership changes

(2) This 1.00% is shared by all taxing agencies for which the subject property resides within.

(3) The Sacramento Housing Redevelopment Agency, reported as a blended component unit until fiscal year 2005, has been eliminated from the City's subsequent financial statements.

(4) The decrease in public utility assessed value is primarily due to the transfer of the downtown railyards from a railroad company to a private developer and the City.

Source: County of Sacramento, Office of Auditor/Controller

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City of Sacramento
Direct and Overlapping Property Tax Rates [1]
Per $100 of Assessed Value
Last Ten Fiscal Years

Fiscal Year End June 30	Basic County, City, and School Levy [2]	County of Sacramento	Schools	Special Districts	Total
2004	1.0000	__	0.1058	0.0070	1.1128
2005	1.0000	__	0.0647	0.0067	1.0714
2006	1.0000	__	0.1163	0.0055	1.1218
2007	1.0000	__	0.0922	__	1.0922
2008	1.0000	__	0.0956	__	1.0956
2009	1.0000	__	0.1012	__	1.1012
2010	1.0000	__	0.1035	__	1.1035
2011	1.0000	__	0.1069	__	1.1069
2012	1.0000	__	0.1174	__	1.1174
2013	1.0000	__	0.1192	__	1.1192

Notes : (1) Data is stated at full value as required under Article XIII-A of the Constitution of the State of California.
(2) This 1.00% is shared by all taxing agencies for which the subject property resides within.

Source: County of Sacramento, Office of Auditor/Controller

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City of Sacramento
Principal Property Taxpayers
Current Fiscal Year and Nine Years Ago

(in thousands)

	2013			2004		
Taxpayer	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Hines VAF II Sacramento	$ 394,930	1	1.11 %	$ -		- %
CIM Sacramento LLC	231,013	2	0.65	-		-
Verizon	152,482	3	0.43	-		-
Arden Fair Associates	134,668	4	0.38	116,851	3	0.49
621 Capitol Mall LLC	117,394	5	0.33	-		-
300 Capitol Association NF LP	109,000	6	0.31	-		-
Comcast Sacramento	105,943	7	0.30	-		-
CLPF Promenade LP	83,028	8	0.23	-		-
Target Corp	80,789	9	0.23	-		-
HP Hood LLC	78,083	10	0.22	-		-
Downtown Plaza LLC	-		-	129,243	2	0.54
1415 Meridian Plaza LLC	-		-	-		-
Sacramento Equities REIT	-		-	-		-
400 Capital Mall Venture	-		-	138,085	1	0.57
SRI Six USBP LLC	-		-	88,883	4	0.37
Sacramento Hotel Corporation	-		-	87,994	5	0.37
Sutter Community Hospitals	-		-	79,810	6	0.33
McClatchy Newspaper Inc.	-		-	78,852	7	0.33
Prentiss Properties Natomas LP	-		-	75,269	8	0.31
VV USA City LP	-		-	74,020	9	0.31
Spieker Properties LP	-		-	68,237	10	0.28
	1,487,330		4.19	937,244		4.00
All other taxpayers	34,007,481		95.81	23,135,569		96.00
Total	$ 35,494,811		100.00 %	$ 24,072,813		100.00 %

Source: County of Sacramento, Office of Auditor/Controller

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City of Sacramento
Property Tax Levies and Collections [1] [2]
Last Ten Fiscal Years
(in thousands)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	63,810	63,748	99.90%	62	63,810	100.00%
2005	70,435	70,343	99.87%	92	70,435	100.00%
2006	114,657	112,052	97.73%	2,605	114,657	100.00%
2007	146,844	142,771	97.23%	4,073	146,844	100.00%
2008	151,667	146,828	96.81%	4,839	151,667	100.00%
2009	151,480	147,780	97.56%	3,700	151,480	100.00%
2010	138,701	136,313	98.28%	2,388	138,701	100.00%
2011	132,440	130,711	98.69%	1,729	132,440	100.00%
2012	129,123	127,914	99.06%	1,209	129,123	100.00%
2013	130,755 [3] [4]	129,655	99.16%	-	129,655	99.16%

Notes: (1) Includes City tax levy and collections only; does not include SHRA, a component unit until fiscal year 2005.
(2) Property taxes in 2007 and subsequent years include revenue reported in 2006 as in lieu sales tax.
(3) Total actual tax levy amount is not available from Sacramento County; amount provided is an estimate.
(4) Includes residual property taxes resulting from the redevelopment agency dissolution.

Source: City of Sacramento, Finance Department

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City of Sacramento
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(in thousands, except Population and Per Capita)

	Governmental Activites				
Fiscal Year	Revenue Bonds	Tax Allocation Bonds	Certificates of Participation	Notes Payable	Capital Leases
2004 [(1)(2)]	440,550	144,047	820	15,504	2,456
2005	427,590	137,454	324	16,440	2,549
2006 [(3)(4)]	529,598	-	104	993	1,940
2007 [(5)]	548,175	-	-	25,935	8,062
2008	532,354	-	-	25,875	8,806
2009	514,431	-	-	812	7,354
2010	496,641	-	-	746	11,203
2011	477,588	-	-	677	9,910
2012	457,324	-	-	605	8,439
2013 [(6)]	435,962	-	-	530	9,446

Notes:
1) Tax allocation bonds were issued in 2004 by the City's redevelopment agency.
2) $68 million in revenue bonds were issued in 2004.
3) $151 million in revenue bonds and $168 million in refunding revenue bonds were issued in
4) In 2006, the Sacramento Housing and Redevelopment Agency was eliminated as a blended component unit.
5) In 2007, $31 million of revenue bonds, $187 million of refunding bonds and a $25 million note payable were issued.
6) In 2013, $281 million of revenue bonds and a $2.8 million capital lease payable were issued.
NA) Personal income data was not available in 2007, 2008, 2009, 2010, 2011, 2012, and 2013.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(in thousands, except Population and Per Capita)

	Business-Type Activities							
Fiscal Year	Revenue Bonds	Certificates of Participation	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income	Population	Per Capita
2004 (1)(2)	381,085	43	67,310	-	1,051,815	7	440,976	2,385
2005	397,441	15	74,943	1,146	1,057,902	7	452,959	2,336
2006 (3)(4)	353,065	-	49,210	2,279	937,189	6	457,514	2,048
2007 (5)	331,024	-	46,540	1,760	961,496	NA	467,343	2,057
2008	322,965	-	49,977	2,710	942,687	NA	475,743	1,982
2009	312,967	-	49,103	6,487	891,154	NA	481,097	1,852
2010	302,064	-	56,307	8,295	875,256	NA	486,189	1,800
2011	289,950	-	56,388	7,066	841,579	NA	469,566	1,792
2012	277,241	-	55,131	11,693	810,433	NA	470,956	1,721
2013 (6)	542,347	-	52,536	9,466	1,050,287	NA	473,509	2,218

Notes:
1) Tax allocation bonds were issued in 2004 by the City's redevelopment agency.
2) $68 million in revenue bonds were issued in 2004.
3) $151 million in revenue bonds and $168 million in refunding revenue bonds were
4) In 2006, the Sacramento Housing and Redevelopment Agency was eliminated as a blended component unit.
5) In 2007, $31 million of revenue bonds, $187 million of refunding bonds and a $25 million note payable were issued.
6) In 2013, $281 million of revenue bonds and a $2.8 million capital lease payable were issued.
NA) Personal income data was not available in 2007, 2008, 2009, 2010, 2011, 2012, and 2013.

Source: City of Sacramento Comprehensive Annual Financial Reports

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City of Sacramento
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

(in thousands, except Population and Per Capita)

Fiscal Year	Total Gross General Obligation Bonds	Amounts Restricted for Principal Repayments	Total Net General Obligation Bonds	Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Population	Net Bonded Debt Per Capita
2004	-	-	-	24,599,695	0.00%	440,976	-
2005	-	-	-	27,911,260	0.00%	452,959	-
2006	-	-	-	32,037,151	0.00%	457,514	-
2007	-	-	-	36,674,108	0.00%	467,343	-
2008	-	-	-	40,345,605	0.00%	475,743	-
2009	-	-	-	41,560,435	0.00%	481,097	-
2010	-	-	-	38,778,007	0.00%	486,189	-
2011	-	-	-	37,647,002	0.00%	469,566	-
2012	-	-	-	36,502,112	0.00%	470,956	-
2013	-	-	-	35,494,811	0.00%	473,509	-

Source: City of Sacramento Comprehensive Annual Financial Reports and the County of Sacramento.

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City of Sacramento
Direct and Overlapping Governmental Activities Debt [1]
As of June 30, 2013
(in thousands)

Governmental Unit	Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
Los Rios Community College District	$ 297,395	25.422 %	$ 75,604
Natomas Unified School District	177,849	86.933	154,610
Sacramento Unified School District	313,678	83.400	261,607
San Juan Unified School District	355,755	3.074	10,936
Twin Rivers Unified School District	87,800	48.209	42,327
Twin Rivers Unified School District (former Grant Joint Union High School District bonds)	185,252	47.665	88,300
Robla School District	23,881	51.697	12,346
City of Sacramento Community Facilities Districts	156,030	100.000	156,030
Elk Grove Unified School District Community Facilities District No. 1	185,190	11.665	21,602
Sacramento City Unified School District Community Facilities District No. 1	595	100.000	595
City of Sacramento 1915 Act Bonds	12,290	100.000	12,290
Sacramento Area Flood Control Agency Consolidated Capital Districts Assessment District	196,895	80.334	158,174
Sacramento Area Flood Control Agency Operation and Maintenance Assessment District	3,350	42.554	1,426
Subtotal - Overlapping Tax and Assessment debt			995,847
Direct and Overlapping General Fund Debt:			
Sacramento County General Fund Obligations	317,357	31.090	98,666
Sacramento County Pension Obligations	959,633	31.090	298,350
Sacramento County Board of Education Certificates of Participation	8,740	31.090	2,717
Los Rios Community College District Certificates of Participation	5,890	25.422	1,497
Sacramento Unified School District Certificates of Participation	80,160	83.400	66,853
Sacramento Unified School District Pension Obligations	2,255	83.400	1,881
San Juan Unified School District Certificates of Participation	1,246	3.074	38
Twin Rivers Unified School District Certificates of Participation	129,825	47.665	61,881
Subtotal - Lease Obligation Debt			531,884
Total Overlapping Debt			1,527,731
City of Sacramento Direct Debt			445,938
Total Direct and Overlapping Debt			$ 1,973,669

Note: (1) Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the City of Sacramento. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government. Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: Data regarding overlapping debt is obtained from California Municipal Statistics, Inc.

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City of Sacramento
Legal Debt Margin
Last Ten Fiscal Years
(in thousands)

	Debt Limit		Debt Applicable to Limit				
Fiscal Year	Net Assessed Value	Debt Limit - 15% of Assessed Value	General Obligation Bonds	Amount set aside for repayment of general obligation debt	Total net debt applicable to limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2004	24,599,695	3,689,954	-	-	-	3,689,954	0.00%
2005	27,911,260	4,186,689	-	-	-	4,186,689	0.00%
2006	32,037,151	4,805,573	-	-	-	4,805,573	0.00%
2007	36,674,108	5,501,116	-	-	-	5,501,116	0.00%
2008	40,345,605	6,051,841	-	-	-	6,051,841	0.00%
2009	41,560,435	6,234,065	-	-	-	6,234,065	0.00%
2010	38,778,007	5,816,701	-	-	-	5,816,701	0.00%
2011	37,647,002	5,647,050	-	-	-	5,647,050	0.00%
2012	36,502,112	5,475,317	-	-	-	5,475,317	0.00%
2013	35,494,811	5,324,222	-	-	-	5,324,222	0.00%

Sources: (A) City of Sacramento Comprehensive Annual Financial Reports.
(B) County of Sacramento, Office of Auditor/Controller.

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City of Sacramento
Demographic and Economic Statistics for Sacramento County
Last Ten Calendar Years

Year	Population (A)	Personal Income *(in millions of dollars)*	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment (B)	Unemployment Rate (C)
2004	1,351,455	43,229	31,987	33.7	14.2	235,369	5.7 %
2005	1,369,855	46,375	34,014	33.7	14.2	238,385	5.1
2006	1,385,607	48,313	35,197	34.1	NA	239,026	4.8
2007	1,406,804	NA	NA	NA	NA	238,233	5.3
2008	1,424,415	NA	NA	NA	NA	238,522	7.0
2009	1,433,187	NA	NA	NA	NA	237,722	11.9
2010	1,445,327	NA	NA	NA	NA	237,916	12.6
2011	1,428,355	NA	NA	NA	NA	237,567	12.7
2012	1,435,153	NA	NA	NA	NA	237,362	11.1
2013	1,445,806	NA	NA	NA	NA	238,290	8.7

Sources: (A) http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php (Population estimates are as of January 1st each year)
(B) California Department of Education, report on Sacramento County: http://dq.cde.ca.gov/dataquest/
(C) California Employment Development Department, Report 400 C - Monthly Labor Force Data for California Counties
http://www.labormarketinfo.edd.ca.gov/ (as of June each year)

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City of Sacramento
Principal Employers
Current Fiscal Year and Nine Years Ago

Employer (A)	2013			2006 (1)		
	Employee (A) (2)	Rank	Percentage of Total Employment (B) (3)	Employee (A) (2)	Rank	Percentage of Total Employment (B)
State of California	69,469	1	11.13%	87,467	1	13.50%
Sacramento County	10,634	2	1.70%	14,408	2	2.22%
University of California, Davis Health System	9,985	3	1.60%	7,901	5	1.22%
Sutter Health Sacramento Sierra Region	6,507	4	1.04%	4,181	8	0.65%
Intel Corporation	6,000	5	0.96%	-		-
Dignity Health	5,756	6	0.92%	-		-
U.S. Government	5,750	7	0.92%	-		-
Kaiser Permanente	5,696	8	0.91%	8,656	3	1.34%
Elk Grove Unified School District	5,535	9	0.89%	-		-
San Juan Unified School District	4,700	10	0.75%	-		-
City of Sacramento	3,831	11	0.61%	5,003	7	0.77%
Sacramento City Unified School District	-		-	7,000	6	1.08%
Los Rios Community College	-		-	8,000	4	1.23%
Wells Fargo & Co.	-		-	2,368	9	0.37%
California State University, Sacramento	-		-	2,295	10	0.35%
Sacramento Municipal Utility District	-		-	2,169	11	0.33%

Notes: (1) Data is not available from nine years ago. Fiscal Year 2006 was the first year this data was presented.
(2) Ranked by number of employees in full-time equivalents.
(3) Percentage of total employment is calculated based on Sacramento County's total employment force of 624,300 (per Employment Development Department website) in June 2013.

Sources: (A) Sacramento Business Journal, April 20, 2012. List of largest employers in Sacramento County.
(B) Employment Development Department, State of California.

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City of Sacramento
Successor Agency Trust Fund
Assessed Value of Taxable Property (1) (2)
Last Ten Fiscal Years
(in thousands)

PROJECT AREA	Fiscal Year 2004	2005	2006	2007	2008
Merged Downtown					
Secured	$ 1,786,667	$ 1,898,779	$ 1,961,343	$ 2,095,806	$ 2,203,787
Unsecured	119,926	130,133	136,059	141,829	146,071
Utility	5,781	5,282	5,280	5,274	4,107
Total	$ 1,912,374	$ 2,034,194	$ 2,102,682	$ 2,242,909	$ 2,353,965
Del Paso Heights					
Secured	$ 172,192	$ 196,526	$ 260,127	$ 338,413	$ 393,968
Unsecured	11,086	11,417	10,364	10,930	11,076
Utility	-	-	-	-	-
Total	$ 183,278	$ 207,943	$ 270,491	$ 349,343	$ 405,044
Alkali Flat					
Secured	$ 84,456	$ 91,498	$ 96,749	$ 104,672	$ 122,660
Unsecured	14,870	12,784	13,802	15,521	4,701
Utility	37	37	37	37	-
Total	$ 99,363	$ 104,319	$ 110,588	$ 120,230	$ 127,361
Oak Park					
Secured	$ 290,062	$ 348,674	$ 441,020	$ 549,470	$ 618,602
Unsecured	21,900	11,306	10,644	10,970	10,363
Utility	-	-	-	-	-
Total	$ 311,962	$ 359,980	$ 451,664	$ 560,440	$ 628,965
River District (formerly Richards Blvd)					
Secured	$ 349,823	$ 368,429	$ 383,756	$ 396,256	$ 404,185
Unsecured	31,661	29,806	30,896	31,005	34,967
Utility	38,382	37,775	37,533	2,759	4,120
Total	$ 419,866	$ 436,010	$ 452,185	$ 430,020	$ 443,272
North Sacramento					
Secured	$ 385,601	$ 424,562	$ 469,556	$ 533,114	$ 581,880
Unsecured	28,063	34,986	36,278	29,494	30,238
Utility	-	-	-	-	-
Total	$ 413,664	$ 459,548	$ 505,834	$ 562,608	$ 612,118

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.
(2) One percent is the maximum tax rate by state law.

Source: County of Sacramento, Office of Auditor/Controller

City of Sacramento
Successor Agency Trust Fund
Assessed Value of Taxable Property (1) (2)
Last Ten Fiscal Years
(in thousands)

PROJECT AREA	Fiscal Year 2009	2010	2011	2012	2013
Merged Downtown					
Secured	$ 2,549,340	$ 2,656,453	$ 2,504,312	$ 2,427,850	$ 2,366,130
Unsecured	174,529	172,285	160,110	145,125	137,567
Utility	997	997	997	997	770
Total	$ 2,724,866	$ 2,829,735	$ 2,665,419	$ 2,573,972	$ 2,504,467
Del Paso Heights					
Secured	$ 414,673	$ 317,546	$ 305,405	$ 286,172	$ 276,998
Unsecured	14,272	37,627	17,112	10,267	9,550
Utility	1	1	1	1	1
Total	$ 428,946	$ 355,174	$ 322,518	$ 296,440	$ 286,549
Alkali Flat					
Secured	$ 126,892	$ 132,387	$ 128,304	$ 121,651	$ 119,184
Unsecured	4,273	4,759	3,740	2,962	4,982
Utility	-	-	-	-	-
Total	$ 131,165	$ 137,146	$ 132,044	$ 124,613	$ 124,166
Oak Park					
Secured	$ 611,302	$ 460,439	$ 438,987	$ 428,226	$ 427,642
Unsecured	11,361	13,418	10,613	8,973	9,898
Utility	-	-	-	-	-
Total	$ 622,663	$ 473,857	$ 449,600	$ 437,199	$ 437,540
River District (formerly Richards Blvd)					
Secured	$ 434,882	$ 454,256	$ 405,518	$ 403,771	$ 396,061
Unsecured	44,693	45,813	41,732	31,661	33,655
Utility	4,120	4,200	4,200	4,264	4,779
Total	$ 483,695	$ 504,269	$ 451,450	$ 439,696	$ 434,495
North Sacramento					
Secured	$ 613,238	$ 563,978	$ 555,744	$ 526,139	$ 506,029
Unsecured	37,027	33,239	36,014	35,675	39,802
Utility	-	-	-	-	-
Total	$ 650,265	$ 597,217	$ 591,758	$ 561,814	$ 545,831

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.
(2) One percent is the maximum tax rate by state law.

Source: County of Sacramento, Office of Auditor/Controller

City of Sacramento
Successor Agency Trust Fund
Assessed Value of Taxable Property (1) (2)
Last Ten Fiscal Years
(in thousands)

PROJECT AREA	Fiscal Year 2004	2005	2006	2007	2008
Franklin Boulevard					
Secured	$ 429,292	$ 450,740	$ 507,056	$ 566,043	$ 595,198
Unsecured	44,090	43,519	44,426	42,667	45,819
Utility	-	-	-	-	-
Total	$ 473,382	$ 494,259	$ 551,482	$ 608,710	$ 641,017
Stockton Boulevard					
Secured	$ 267,341	$ 306,436	$ 370,130	$ 417,045	$ 463,344
Unsecured	14,516	13,282	13,381	12,071	15,416
Utility	-	-	-	-	-
Total	$ 281,857	$ 319,718	$ 383,511	$ 429,116	$ 478,760
Army Depot					
Secured	$ 159,883	$ 160,357	$ 402,960	$ 896,449	$ 995,435
Unsecured	94,488	98,651	88,155	104,420	145,115
Utility	824	920	922	841	578
Total	$ 255,195	$ 259,928	$ 492,037	$ 1,001,710	$ 1,141,128
65th Street					
Secured	$ -	$ -	$ 203,524	$ 224,504	$ 243,734
Unsecured	-	-	165	26,401	22,673
Utility	-	-	739	611	-
Total	$ -	$ -	$ 204,428	$ 251,516	$ 266,407
Railyards					
Secured	$ -	$ -	$ -	$ -	$ -
Unsecured	-	-	-	-	-
Utility	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.
(2) One percent is the maximum tax rate by state law.

Source: County of Sacramento, Office of Auditor/Controller

City of Sacramento
Successor Agency Trust Fund
Assessed Value of Taxable Property (1) (2)
Last Ten Fiscal Years
(in thousands)

PROJECT AREA	Fiscal Year 2009	2010	2011	2012	2013
Franklin Boulevard					
Secured	$ 615,732	$ 571,385	$ 571,094	$ 554,662	$ 553,114
Unsecured	47,150	44,573	41,821	38,551	39,862
Utility	-	-	-	-	-
Total	$ 662,882	$ 615,958	$ 612,915	$ 593,213	$ 592,976
Stockton Boulevard					
Secured	$ 476,809	$ 390,475	$ 372,566	$ 355,452	$ 334,059
Unsecured	16,399	16,598	17,048	17,468	17,101
Utility	-	-	-	-	-
Total	$ 493,208	$ 407,073	$ 389,614	$ 372,920	$ 351,160
Army Depot					
Secured	$ 1,011,483	$ 835,497	$ 826,480	$ 810,113	$ 790,956
Unsecured	118,889	120,863	119,918	116,198	116,489
Utility	578	578	578	579	943
Total	$ 1,130,950	$ 956,938	$ 946,976	$ 926,890	$ 908,388
65th Street					
Secured	$ 240,544	$ 224,753	$ 242,905	$ 230,618	$ 229,458
Unsecured	29,115	25,010	25,040	25,808	17,346
Utility	-	-	-	-	-
Total	$ 269,659	$ 249,763	$ 267,945	$ 256,426	$ 246,804
Railyards					
Secured	$ -	$ 49,467	$ 71,772	$ 80,928	$ 84,191
Unsecured	-	-	251	3,521	4,548
Utility	-	641	680	768	771
Total	$ -	$ 50,108	$ 72,703	$ 85,217	$ 89,510

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.
(2) One percent is the maximum tax rate by state law.

Source: County of Sacramento, Office of Auditor/Controller

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City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Merged Downtown
As of June 30, 2013
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
Hines Sacramento W.F.C.	$ 206,544	$ 130,000	$ (76,544)	3.06%
300 Capitol Mall NF LP	109,000	85,000	(24,000)	0.96%
GCCFC 2007 -GG9 Office 50	42,738	27,000	(15,738)	0.63%
GCCFC 2005 GG5 L Street	35,615	24,000	(11,615)	0.46%
770 L Street Investment	30,000	18,000	(12,000)	0.48%
Juno Commercial Real Est	18,870	9,400	(9,470)	0.38%
Fund IX-Park Plaza, LLC	10,857	5,429	(5,428)	0.22%
Switch Building Investor	9,486	5,600	(3,886)	0.16%
428 Associates	8,342	7,049	(1,293)	0.05%
601 CM LLC	6,792	4,217	(2,575)	0.10%
Sub Total	478,244	315,695	(162,549)	6.49%
All Other Taxpayers	2,026,223	-	-	-
Total	$ 2,504,467	$ 315,695	$ (162,549)	6.49%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2013.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Del Paso Heights
As of June 30, 2013
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
Brix Family 1993 Trust	$ 1,353	$ 650	$ (703)	0.25%
FPSIE Properties LLC	1,276	960	(316)	0.11%
The Lenore Wyatt Living	1,269	635	(634)	0.22%
Fine Homes LLC	1,117	726	(391)	0.14%
Lundbom Family Trust	973	-	(973)	0.34%
Lundbom Family Trust	934	655	(279)	0.10%
Lundbom Family Trust	532	245	(287)	0.10%
Brix Family 1993 Trust	458	200	(258)	0.09%
The Lenore Wyatt Living	375	188	(187)	0.07%
Richard Coltrin Trustee	261	110	(151)	0.05%
Sub Total	8,548	4,369	(4,179)	1.46%
All Other Taxpayers	278,001	-	-	-
Total	$ 286,549	$ 4,369	$ (4,179)	1.46%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2013.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Alkali Flat
As of June 30, 2013
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
Hearst Argyle Stations	$ 7,865	$ 2,889	$ (4,976)	4.01%
Hearst Argyle Stations	7,653	5,600	(2,053)	1.65%
Realty Advisors Inc.	7,050	3,100	(3,950)	3.18%
Lynn Houlihan	2,115	1,000	(1,115)	0.90%
Marvin D. Morgenstein Rev	1,370	600	(770)	0.62%
12th Street Collaborative	510	290	(220)	0.18%
12th Street Collaborative	483	274	(209)	0.17%
12th Street Collaborative	44	25	(19)	0.02%
12th Street Collaborative	44	25	(19)	0.02%
Sub Total	27,134	13,803	(13,331)	10.74%
All Other Taxpayers	97,032	-	-	-
Total	$ 124,166	$ 13,803	$ (13,331)	10.74%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2013.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Oak Park
As of June 30, 2013
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
Fenstermacher Living Family Trust	$ 1,252	$ 626	$ (626)	0.14%
Hosuk Choe	221	110	(111)	0.03%
Wu Alexis C.	154	70	(84)	0.02%
Lou F. Saechou	132	69	(63)	0.01%
Mao T. Sou	113	55	(58)	0.01%
Sub Total	1,872	930	(942)	0.22%
All Other Taxpayers	435,668	-	-	-
Total	$ 437,540	$ 930	$ (942)	0.22%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2013.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
River District
As of June 30, 2013
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
Sequoia Pacific Boulevard	$ 12,798	$ 4,000	$ (8,798)	2.02%
Detmer Family Limited Partnership	4,598	2,299	(2,299)	0.53%
JMDH Real Estate Sacramento	4,250	1,275	(2,975)	0.68%
YSI XX LP	4,070	3,500	(570)	0.13%
Shirish B. Patel	2,830	2,730	(100)	0.02%
10th North Industrial	2,788	1,684	(1,104)	0.25%
Signal Court & MEW LLC	2,369	1,400	(969)	0.22%
Training Toward Self Reliance	1,778	900	(878)	0.20%
Signal Court & MEW LLC	1,349	800	(549)	0.13%
Detmer Family Limited Partnership	231	116	(115)	0.03%
Sub Total	37,061	18,704	(18,357)	4.22%
All Other Taxpayers	397,434	-	-	-
Total	$ 434,495	$ 18,704	$ (18,357)	4.22%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2013.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
North Sacramento
As of June 30, 2013
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
Seven Up Bottling Company	$ 9,667	$ 7,000	$ (2,667)	0.49%
Sent Expo Pointe LLC	7,584	5,938	(1,646)	0.30%
Tcherkoyan Family Trust	7,207	4,324	(2,883)	0.53%
Walgreen Company #11262	5,100	3,780	(1,320)	0.24%
Radiological Association	4,600	3,233	(1,367)	0.25%
American Bottling Company	3,783	2,800	(983)	0.18%
281 Lathrop Capital LLC	2,471	1,200	(1,271)	0.23%
First States Investors	2,217	665	(1,552)	0.28%
CSK Auto Corporation	2,203	661	(1,542)	0.28%
CSK Auto Corporation	2,041	613	(1,428)	0.26%
Sub Total	46,873	30,214	(16,659)	3.05%
All Other Taxpayers	498,958	-	-	-
Total	$ 545,831	$ 30,214	$ (16,659)	3.05%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2013.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Franklin Boulevard
As of June 30, 2013
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
ABF Freight Systems	$ 4,422	$ 2,000	$ (2,422)	0.41%
Chateau Lang Apartments	2,614	2,140	(474)	0.08%
Bearden Family Ltd Partnership	598	199	(399)	0.07%
Cuong H. Patti L. Phong	342	155	(187)	0.03%
David W. Donnell	165	-	(165)	0.03%
Andre S. Holtzclaw	158	90	(68)	0.01%
Hassan M. Dezham	108	55	(53)	0.01%
Phong Cuong H.	131	105	(26)	0.00%
Sub Total	8,538	4,744	(3,794)	0.64%
All Other Taxpayers	584,438	-	-	-
Total	$ 592,976	$ 4,744	$ (3,794)	0.64%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2013.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Stockton Boulevard
As of June 30, 2013
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
Bee Saigon Plaza LLC	$ 17,374	$ 8,600	$ (8,774)	2.50%
Stockton Plaza Partners	9,763	8,299	(1,464)	0.42%
LSREF2 Clipper II, LLC	6,630	3,700	(2,930)	0.83%
ESS Prisa II LLC	4,565	4,000	(565)	0.16%
Wells Gargo	4,534	357	(4,177)	1.19%
Stockton Plaza Partners	1,562	700	(862)	0.25%
Banwait Properties Inc.	1,209	500	(709)	0.20%
Stockton Plaza Partners	822	400	(422)	0.12%
Nguyen Hy Dinh & Hien To	486	250	(236)	0.07%
Sabrina H. Choe	434	180	(254)	0.07%
Sub Total	47,379	26,986	(20,393)	5.81%
All Other Taxpayers	303,781	-	-	-
Total	$ 351,160	$ 26,986	$ (20,393)	5.81%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2013.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Army Depot
As of June 30, 2013
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
R & G Hayward LLC	$ 14,366	$ 12,000	$ (2,366)	0.26%
C/S Logistics Sacramento	6,056	4,144	(1,912)	0.21%
6331 Power Inn Rd LLC	3,967	2,200	(1,767)	0.19%
Blue Dog Properties Trust	2,611	783	(1,828)	0.20%
Estes Terminals California	2,410	989	(1,421)	0.16%
John G. Mclouglin 2007 Trust	1,209	604	(605)	0.07%
R & G Hayward LLC	1,161	750	(411)	0.05%
Colmar Props LLC	1,153	577	(576)	0.06%
C/S Logistics Sacramento	1,075	736	(339)	0.04%
Shauna Verkade	693	450	(243)	0.03%
Sub Total	34,701	23,233	(11,468)	1.26%
All Other Taxpayers	873,687	-	-	-
Total	$ 908,388	$ 23,233	$ (11,468)	1.26%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2013.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
65th Street
As of June 30, 2013
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
Roger Rasmussen	$ 2,552	$ 1,050	$ (1,502)	0.61%
Gonzales - Kimmel Enterprise	2,388	1,433	(955)	0.39%
Rainwater, Stephen R.	1,847	1,070	(777)	0.31%
Turfs Up Group	1,358	670	(688)	0.28%
The Home Depot USA	1,327	400	(927)	0.38%
GAWFCO Incorporated	954	650	(304)	0.12%
Theodoros G. And Georgia	941	565	(376)	0.15%
Theodoros G. And Georgia	473	284	(189)	0.08%
Koufasimis, George A.	95	-	(95)	0.04%
Sub Total	11,935	6,122	(5,813)	2.36%
All Other Taxpayers	234,869	-	-	-
Total	$ 246,804	$ 6,122	$ (5,813)	2.36%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2013.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Railyards
As of June 30, 2013
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
IA Sacramento Holdings	$ 28,821	$ 10,170	$ (18,651)	20.84%
St. Anton Investor, LLC	15,204	11,880	(3,324)	3.71%
IA Sacramento Holdings	1,173	503	(670)	0.75%
Sub Total	45,198	22,553	(22,645)	25.30%
All Other Taxpayers	44,312	-	-	-
Total	$ 89,510	$ 22,553	$ (22,645)	25.30%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2013.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Merged Downtown
Current Fiscal Year and Nine Years Ago
(in thousands)

	2013			2004		
Assessee	**Taxable Value [1]**	**Rank**	**Percentage of Total Taxable Value [2]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Hines Sacramento Wells Fargo Center	$ 206,543	1	8.25%	$ -		-
621 Capitol Mall LLC	124,810	2	4.98%	-		-
300 Capitol Associates NF LP	109,000	3	4.35%	-		-
CIM/980 9th Street Sacramento LP	98,534	4	3.93%	-		-
500 Capitol Mall LLC	79,119	5	3.16%	-		-
Capitol Regency LLC	73,992	6	2.95%	48,054	8	2.51%
CIM/J Street Hotel Sacramento LP	73,882	7	2.95%	-		-
1325 J Street LLC	67,974	8	2.71%	-		-
1415 Meridian Plaza LLC/Valley View Investors LLC	65,040	9	2.60%	-		-
Sacramento Equities REIT	61,000	10	2.44%	-		-
400 Capitol Mall Venture	-		-	138,053	1	7.22%
Downtown Plaza	-		-	127,921	2	6.69%
Sacramento Hotel Corporation	-		-	87,593	3	4.58%
SRI Six USBP LLC	-		-	80,629	4	4.22%
V V Usa City LP	-		-	74,020	5	3.87%
Alpine Realty Sacramento	-		-	64,496	6	3.37%
Sacramento Renaissance Tower	-		-	54,228	7	2.84%
California Hospital Association	-		-	32,290	9	1.69%
770 L Street Investment Group	-		-	31,620	10	1.65%
Sub Total	959,894		38.33%	738,904		38.64%
All Other Taxpayers	1,544,573		61.67%	1,173,470		61.36%
Total	$ 2,504,467		100.00%	$ 1,912,374		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2012-13 Project Area total taxable value.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Del Paso Heights
Current Fiscal Year and Nine Years Ago
(in thousands)

	2013			2004		
Assessee	**Taxable Value [1]**	**Rank**	**Percentage of Total Taxable Value [2]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Greater Sacramento Urban League	$ 6,084	1	2.12%	$ -		-
Research Properties	5,249	2	1.83%	4,463	1	2.44%
BM Ventures LLC	5,186	3	1.81%	-		-
Woodhaven Senior Residences	4,428	4	1.55%	2,652	3	1.45%
John A/ Leta K Nichols 1994 Rev Trust	2,764	5	0.96%	-		-
US Rentals Inc.	2,465	6	0.86%	-		-
MD Partners Incorporated	2,447	7	0.85%	2,096	4	1.14%
Proffutt Limited Partnership	2,141	8	0.75%	-		-
23002 Moulton Parkway LLC	1,770	9	0.62%	-		-
Lundbom Family Trust	1,540	10	0.54%	-		-
Harry & Mariann Brix 1993 Family Trust	-		-	1,571	7	0.86%
Terkensha Associates	-		-	1,331	9	0.73%
Anderson Family Trust	-		-	2,723	2	1.49%
United Rentals Inc.	-		-	1,880	5	1.03%
IBM Credit Corporation	-		-	1,783	6	0.97%
Sacramento Partners	-		-	1,335	8	0.73%
Crystal Bottling Company, Inc.	-		-	1,153	10	0.63%
Sub Total	34,074		11.89%	20,987		11.45%
All Other Taxpayers	252,475		88.11%	162,291		88.55%
Total	$ 286,549		100.00%	$ 183,278		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2012-13 Project Area total taxable value.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Alkali Flat
Current Fiscal Year and Nine Years Ago
(in thousands)

	2013			2004		
Assessee	**Taxable Value [1]**	**Rank**	**Percentage of Total Taxable Value [2]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Hearst-Argyle Stations Inc.	$ 19,158	1	15.43%	$ 19,905	1	20.03%
CC/B Holdings Inc.	5,814	2	7.28%	-		-
Realty Advisors	5,490	3	4.42%	6,114	3	6.15%
City Park Apartment Homes	4,116	4	3.31%	-		-
John Dailey Trust/Charles D Deloney	1,950	5	1.57%	1,658	7	1.67%
GMA Investors LP	1,768	6	1.42%	-		-
700 E Street Building Partner	1,650	7	1.33%	1,689	6	1.70%
Janet Fortino Loehr Separate Prop Trust/Etal	1,470	8	1.18%	-		-
Tarpin Samuel D	1,462	9	1.18%	1,296	10	1.30%
520 Ninth Street	1,450	10	1.17%	1,834	5	1.85%
Crystal Cream/Butter Holdings, Inc.	-		-	10,931	2	11.00%
US Housing Partners II LP	-		-	3,500	4	3.52%
Washington Square III	-		-	1,507	8	1.52%
P. Bruce Booher	-		-	1,344	9	1.35%
Sub Total	44,328		35.70%	49,778		50.10%
All Other Taxpayers	79,838		64.30%	49,585		49.90%
Total	$ 124,166		100.00%	$ 99,363		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2012-13 Project Area total taxable value.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Oak Park
Current Fiscal Year and Nine Years Ago
(in thousands)

	2013			2004		
Assessee	**Taxable Value [1]**	**Rank**	**Percentage of Total Taxable Value [2]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Rainbow Baking	$ 26,490	1	6.05%	$ 7,000	2	2.24%
Shriners Hospitals for Crippled Children	14,767	2	3.38%	-		-
Regents of UC (Camellia Inn)	11,978	3	2.74%	11,901	1	3.81%
US Bank National Association	5,162	4	1.18%	-		-
Crestwood Medical Center Hospital	4,319	5	0.99%	2,513	6	0.81%
Security Public Storage	3,700	6	0.85%	3,103	4	0.99%
Donald/Virginia Compton Family Trust	3,270	7	0.75%	-		-
Edmar Invs LLC (Walgreens)	3,182	8	0.73%	2,670	5	0.86%
John C Skinner 2001 Living Trust	1,811	9	0.41%	1,348	8	0.43%
CK Burke LLC	1,392	10	0.32%	-		-
Campbell Taggart Baking Companies Inc./Etal	-		-	1,876	7	0.60%
Stockton/Broadway Partners	-		-	4,217	3	1.35%
First States Invs. 5000A, LLC	-		-	1,227	9	0.39%
Stockton Boulevard Partners LLC	-		-	1,146	10	0.37%
Sub Total	76,071		17.39%	37,001		11.86%
All Other Taxpayers	361,469		82.61%	274,961		88.14%
Total	$ 437,540		100.00%	$ 311,962		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2012-13 Project Area total taxable value.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - River District
Current Fiscal Year and Nine Years Ago
(in thousands)

	2013			2004		
Assessee	**Taxable Value [1]**	**Rank**	**Percentage of Total Taxable Value [2]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
California Almond Growers	$ 67,643	1	15.57%	$ 45,241	1	10.78%
Grove River District LLC	34,024	2	7.83%	-		-
Mendell Allan/Etal	13,054	3	3.00%	-		-
Capitol Station 665 LLC	9,414	4	2.17%	-		-
Dos Rios Venture	6,284	5	1.45%	-		-
BRE / LQ Props LLC	5,561	6	1.28%	-		-
BA Hotel LLC	5,517	7	1.27%	-		-
Vida N Anello Revocable Living Trust	5,244	8	1.21%	-		-
Henderson Enterprises L P	5,203	9	1.20%	-		-
Detmer Family Limited Partnership	5,019	10	1.16%	-		-
Grove Investment Company	-		-	9,122	8	2.17%
Continental Plaza LLC	-		-	19,876	2	4.73%
Sunstone OP Properties LLC	-		-	10,868	3	2.59%
James/Roxanne Loen Trust	-		-	10,377	4	2.47%
Second Richards Boulevard Partners	-		-	10,161	5	2.42%
Ice Bear Inc. (Sequoia Pacific)	-		-	9,977	6	2.38%
LaQuinta Development Partner	-		-	9,952	7	2.37%
Andrew Alan Lewis Revocable	-		-	8,240	9	1.96%
Hammer Phyllis/Thomas J	-		-	7,787	10	1.85%
Sub Total	156,963		36.13%	141,601		33.73%
All Other Taxpayers	277,532		63.87%	278,265		66.27%
Total	$ 434,495		100.00%	$ 419,866		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2012-13 Project Area total taxable value.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - North Sacramento
Current Fiscal Year and Nine Years Ago
(in thousands)

	2013			2004		
Assessee	**Taxable Value [1]**	**Rank**	**Percentage of Total Taxable Value [2]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Seven-up Bottling Company	$ 31,962	1	5.86%	$ 19,005	4	4.59%
Westcore Delta LLC	24,758	2	4.54%	-		-
Price Company	21,675	3	3.97%	16,941	5	4.10%
McCuen Acoma Street Investors	11,808	4	2.16%	-		-
North Sacramento Land Company	11,063	5	2.03%	9,937	6	2.40%
Meriliz Incorporated	10,291	6	1.89%	20,602	3	4.98%
Radiological Assoc of Sacto Medical Group Inc.	7,747	7	1.42%	-		-
Recreational Equipment Inc.	7,612	8	1.39%	5,165	10	1.25%
Sent Expo Pointe LLC	7,485	9	1.37%	-		-
2006 Tcherkoyan Family Trust	7,351	10	1.35%	-		-
JB Management LP	-		-	23,113	2	5.59%
PD Hotel Associates LLC	-		-	27,062	1	6.54%
Radiological Associates	-		-	6,561	7	1.59%
Dos Robles Limited Partnership	-		-	6,259	8	1.51%
KMAX Channel 31	-		-	3,065	9	0.74%
Sub Total	141,752		25.97%	137,710		33.29%
All Other Taxpayers	404,079		74.03%	275,954		66.71%
Total	$ 545,831		100.00%	$ 413,664		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2012-13 Project Area total taxable value.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Franklin Boulevard
Current Fiscal Year and Nine Years Ago
(in thousands)

	2013			2004		
Assessee	**Taxable Value [1]**	**Rank**	**Percentage of Total Taxable Value [2]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Campbell Soup Supply Co LLC	$ 130,895	1	22.07%	$ 136,419	1	28.82%
United States Cold Storage	9,377	2	1.58%	8,315	2	1.76%
Rosedown Associates LLC	7,405	3	1.25%	-		-
ABF Freight System, Inc.	5,171	5	0.87%	-		-
Western Village LP	9,555	6	1.61%	-		-
Extra Space Franklin Blvd. LLC	4,280	4	0.72%	-		-
Sei/PSP Vi Joint Ventures	4,216	7	0.71%	2,750	5	0.58%
Bowling Green Associates	4,056	8	0.68%	-		-
Con-Way Western Express Inc.	3,731	9	0.63%	-		-
47th Street Associates LLC	3,643	10	0.61%	-		-
Rosedown Apartments I LLC	-		-	6,457	3	1.36%
John Raleigh/David Yancey	-		-	3,449	4	0.73%
Chateau Lang Apartments LLC	-		-	2,702	6	0.57%
Preservation Southpointe LP	-		-	2,500	7	0.53%
Mulberry Estates LLC	-		-	2,335	8	0.49%
Jeon Family Trust	-		-	2,262	9	0.48%
Hampton Park	-		-	2,236	10	0.47%
Sub Total	182,329		30.75%	169,425		35.79%
All Other Taxpayers	410,647		69.25%	303,957		64.21%
Total	$ 592,976		100.00%	$ 473,382		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2012-13 Project Area total taxable value.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Stockton Boulevard
Current Fiscal Year and Nine Years Ago
(in thousands)

	2013			2004		
Assessee	**Taxable Value [1]**	**Rank**	**Percentage of Total Taxable Value [2]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Stockton Plaza Partners LLC	$ 11,658	1	3.32%	-		-
EKG Investors LLC	10,205	2	2.91%	-		-
John M/Nancy M Kehriotis Living Trust	7,543	3	2.15%	6,413	1	2.28%
BE Saigon Plaza LLC	7,382	4	2.10%	-		-
NT Stockton Investors LLC	6,093	5	1.74%	-		-
Mulleian Investments LLC	4,765	6	1.36%	3,985	5	1.41%
Ralphs Grocery	4,666	7	-	3,468	6	1.23%
ESS Prisa II LLC	4,430	8	1.26%	-		-
Brittany Arms	4,290	9	1.22%	4,292	4	1.52%
LSREF2 Clipper II LLC	4,182	10	1.19%	-		-
Preferred Properties LLC	-		-	5,940	2	2.11%
CCI Stockridge SAC LLC	-		-	5,508	3	1.95%
Tran Jack Khai	-		-	3,075	7	1.09%
Shiloh Arms LTD	-		-	2,682	8	0.95%
Northern California Cement	-		-	2,511	9	0.89%
Fruitridge/Stockton LLC	-		-	2,186	10	0.78%
Sub Total	65,214		18.57%	40,060		14.21%
All Other Taxpayers	285,946		81.43%	241,797		85.79%
Total	$ 351,160		100.00%	$ 281,857		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2012-13 Project Area total taxable value.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Army Depot
Current Fiscal Year and Nine Years Ago
(in thousands)

	2013			2004		
Assessee	**Taxable Value [1]**	**Rank**	**Percentage of Total Taxable Value [2]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
R/G Hayward LLC	$ 15,550	1	1.71%	$ -		-
Engineered Polymer Solutions Inc.	15,048	2	1.66%	4,665	4	1.83%
Central Valley Industrial Core Holdings	9,121	3	1.00%	-		-
Elder Creek Transfer/Recovery Inc.	8,932	4	0.98%	-		-
Air Products Manufacturing Corporation	7,630	5	0.84%	-		-
C/S Logistics Sacramento/Tracy LLC	7,274	6	0.80%	8,524	2	3.34%
Ballantyne Diana S/Mark C/Jan W Leonard/M	6,100	7	0.67%	-		-
Teichert Land Co	5,835	8	0.64%	2,948	7	1.16%
Power Inn Business Park LLC	4,905	9	0.54%	-		-
Inland Empire Investments	4,417	10	0.49%	3,755	6	1.47%
Viviion Shops LLC	-		-	4,528	5	1.77%
Air Products/Chemicals Inc.	-		-	8,341	3	3.27%
Prentiss/Copley Investment	-		-	11,116	1	4.36%
W H Q	-		-	2,833	8	1.11%
Warehouse Way Associates	-		-	2,675	9	1.05%
Thunderbird Partners	-		-	2,388	10	0.94%
Sub Total	84,812		9.34%	51,773		20.29%
All Other Taxpayers	823,576		90.66%	203,422		79.71%
Total	$ 908,388		100.00%	$ 255,195		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2012-13 Project Area total taxable value.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - 65th Street
Current Fiscal Year and Nine Years Ago
(in thousands)

	2013			2005 [1]		
Assessee	**Taxable Value [2]**	**Rank**	**Percentage of Total Taxable Value [3]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
HRA Element LLC	$ 34,530	1	13.99%	$ -		-
Target Corporation	26,656	2	10.80%	22,181	2	7.64%
65th St Village LLC	8,700	3	3.53%	-		-
CPCA 7716 Folsom Blvd. LLC	7,560	4	3.06%	-		-
Atlas Disposal Industries LLC	7,078	5	2.87%	-		-
Dimension Properties LLC	5,784	6	2.34%	-		-
Kenneth/Susan Catchot Family 2005 Revocable	5,020	7	2.03%	5,567	6	1.92%
American River Self Storage LP	4,927	8	2.00%	8,531	5	2.94%
2800 Pico Associates LLC	4,225	9	1.71%	4,878	8	1.68%
KCMC Properties, LP/Paul E Fong/MAE Etal	3,409	10	1.38%	13,034	4	4.49%
Jefferson Commons-Sacramento LP	-		-	52,515	1	18.10%
Home Depot USA Inc.	-		-	14,506	3	5.00%
Commercial Net Lease Realty	-		-	5,095	7	1.76%
Gonzales Kimmel Enterprises	-		-	4,524	9	1.56%
John/Claudine Jackson Family Revocable Trust	-		-	4,459	10	1.54%
Sub Total	107,889		43.71%	135,290		46.62%
All Other Taxpayers	138,915		56.29%	154,927		53.38%
Total	$ 246,804		100.00%	$ 290,217		100.00%

Notes: (1) Data from Fiscal Year 2005 - 65th Street Redevelopment Area was formed in Fiscal Year 2005.
(2) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(3) Based on total adjusted 2012-13 Project Area total taxable value.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Railyards
Current Fiscal Year and Nine Years Ago
(in thousands)

	2013			2010 [1]		
Assessee	**Taxable Value [2]**	**Rank**	**Percentage of Total Taxable Value [3]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
IA Sacramento Development LLC	$ 33,085	1	36.96%	$ -		-
CCAA Partners LLC/Bruce W. Bell/Etal	12,000	2	13.41%	14,843	2	19.07%
JPM 2003 CIBC6 813 6th Street LLC	8,772	3	9.80%	-		-
Sacramento County Employee Credit Union	4,197	4	4.69%	4,068	5	5.23%
REA Limited Partnership	4,058	5	4.53%	5,378	4	6.91%
PDRA/Company LLC	3,699	6	4.13%	3,537	6	4.54%
Strumwasser Michael J/Silvia M	3,058	7	3.42%	2,924	7	3.76%
Bowman/Bay Building Joint Venture	2,212	8	2.47%	2,115	8	2.72%
CNPA Services Inc.	1,662	9	1.86%	-		-
Legacy Ventures LLC	1,302	10	1.45%	1,245	10	1.60%
New Baytree LLC	-		-	14,826	3	19.05%
S Thomas Enterprises of Sacramento	-		-	17,224	1	22.13%
John Morgan/Nelly B Patino/Eddie Cuevas	-		-	1,556	9	2.00%
Sub Total	74,045		82.72%	67,716		87.00%
All Other Taxpayers	15,465		17.28%	10,117		13.00%
Total	$ 89,510		100.00%	$ 77,833		100.00%

Notes: (1) Data from Fiscal Year 2010 - Railyards Redevelopment Area was formed in Fiscal Year 2010.
(2) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(3) Based on total adjusted 2012-13 Project Area total taxable value.

Source: Sacramento County Assessor

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City of Sacramento
Successor Agency Trust Fund
Debt Coverage Analysis
Last Nine Fiscal Years
(in thousands)

RDA - All Project Areas

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ 32,843	$ 325	$ 671	$ 31,847	$ 15,420	2.07	$ NA	$ NA	NA
2005-06	36,549	325	1,168	35,055	17,880	1.96	NA	NA	NA
2006-07	40,781	292	1,772	38,716	21,468	1.80	NA	NA	NA
2007-08	44,436	456	1,851	42,129	22,119	1.90	NA	NA	NA
2008-09	48,016	600	2,295	45,121	21,836	2.07	NA	NA	NA
2009-10	42,876	438	3,050	39,388	21,790	1.81	NA	NA	NA
2010-11	35,280	580	2,684	32,016	21,776	1.47	NA	NA	NA
2011-12	42,334	726	2,911	38,698	22,120	1.75	6,008	28,128	1.38 (1)
2012-13	41,304	745	2,556	38,003	22,087	1.72	6,619	28,706	1.32

Merged Downtown

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ 22,090	$ 217	$ -	$ 21,873	$ 12,546	1.74	$ NA	$ NA	NA
2005-06	22,447	200	261	21,986	14,319	1.54	NA	NA	NA
2006-07	24,217	167	496	23,554	16,162	1.46	NA	NA	NA
2007-08	26,259	277	502	25,480	16,541	1.54	NA	NA	NA
2008-09	30,213	380	484	29,349	16,090	1.82	NA	NA	NA
2009-10	29,144	282	1,606	27,256	16,072	1.70	NA	NA	NA
2010-11	23,069	387	1,454	21,228	16,051	1.32	NA	NA	NA
2011-12	23,750	406	807	22,537	16,254	1.39	2,608	18,862	1.19 (1)
2012-13	23,260	419	652	22,189	16,298	1.36	2,655	18,953	1.17

Del Paso Heights

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ 2,269	$ 23	$ 85	$ 2,160	$ 553	3.90	$ NA	$ NA	NA
2005-06	3,172	28	197	2,948	949	3.11	NA	NA	NA
2006-07	3,837	29	307	3,501	1,290	2.71	NA	NA	NA
2007-08	4,181	27	357	3,796	1,606	2.36	NA	NA	NA
2008-09	4,079	51	169	3,859	1,625	2.37	NA	NA	NA
2009-10	3,222	33	377	2,812	1,627	1.73	NA	NA	NA
2010-11	2,901	45	322	2,534	1,626	1.56	NA	NA	NA
2011-12	2,551	44	199	2,307	1,769	1.30	100	1,869	1.23 (1)
2012-13	2,549	46	194	2,309	1,644	1.40	240	1,884	1.23

Notes:

NA) Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

(1) Revised to include 2008 B of A Public Capital Corp Debt.

Source: County of Sacramento, Office of Auditor/Controller

City of Sacramento
Successor Agency Trust Fund
Debt Coverage Analysis
Last Nine Fiscal Years
(in thousands)

Alkali Flat

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage	
2004-05	$ 984	$ 11	$ 7	$ 966	$ 629	1.54	$ NA	$ NA	NA	
2005-06	1,061	11	19	1,031	621	1.66	NA	NA	NA	
2006-07	1,168	9	33	1,126	618	1.82	NA	NA	NA	
2007-08	1,270	14	34	1,222	619	1.98	NA	NA	NA	
2008-09	1,234	17	14	1,203	618	1.95	NA	NA	NA	
2009-10	1,253	15	54	1,185	616	1.92	NA	NA	NA	
2010-11	1,106	18	68	1,020	619	1.65	NA	NA	NA	
2011-12	1,077	18	19	1,039	622	1.67	463	1,085	0.96	(1)
2012-13	1,049	19	10	1,020	623	1.64	467	1,090	0.94	

Oak Park

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage	
2004-05	$ 3,836	$ 39	$ 119	$ 3,678	$ 1,370	2.68	$ NA	$ NA	NA	
2005-06	4,957	44	274	4,639	1,686	2.75	NA	NA	NA	
2006-07	5,939	45	404	5,490	2,846	1.93	NA	NA	NA	
2007-08	6,255	69	409	5,777	2,769	2.09	NA	NA	NA	
2008-09	5,854	73	381	5,400	2,767	1.95	NA	NA	NA	
2009-10	4,213	49	372	3,792	2,757	1.38	NA	NA	NA	
2010-11	3,871	60	314	3,498	2,761	1.27	NA	NA	NA	
2011-12	3,772	63	150	3,559	2,756	1.29	103	2,859	1.24	(1)
2012-13	3,841	67	151	3,623	2,794	1.30	183	2,977	1.22	

River District

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage	
2004-05	$ NA	$ NA	$ NA	$ NA	$ -	-	$ NA	$ NA	NA	
2005-06	NA	NA	NA	NA	-	-	NA	NA	NA	
2006-07	NA	NA	NA	NA	-	-	NA	NA	NA	
2007-08	NA	NA	NA	NA	-	-	NA	NA	NA	
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA	
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA	
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA	
2011-12	1,372	25	246	1,100	-	-	494	494	2.23	(1)
2012-13	1,294	26	227	1,041	-	-	654	654	1.59	

Notes:

NA) Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

(1) Revised to include 2008 B of A Public Capital Corp Debt.

Source: County of Sacramento, Office of Auditor/Controller

City of Sacramento
Successor Agency Trust Fund
Debt Coverage Analysis
Last Nine Fiscal Years
(in thousands)

North Sacramento

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ 2,167	$ 21	$ 253	$ 1,893	$ 322	5.88	$ NA	$ NA	NA
2005-06	2,620	24	249	2,347	305	7.68	NA	NA	NA
2006-07	3,063	24	194	2,845	436	6.53	NA	NA	NA
2007-08	3,542	38	198	3,305	468	7.06	NA	NA	NA
2008-09	3,787	46	291	3,450	528	6.53	NA	NA	NA
2009-10	3,087	36	237	2,814	530	5.30	NA	NA	NA
2010-11	2,722	45	209	2,468	528	4.68	NA	NA	NA
2011-12	2,439	44	187	2,208	539	4.10	629	1,168	1.89 (1)
2012-13	2,323	44	165	2,114	537	3.94	779	1,316	1.61

Franklin Boulevard

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ NA	$ NA	$ NA	$ NA	$ -	-	$ NA	$ NA	NA
2005-06	NA	NA	NA	NA	-	-	NA	NA	NA
2006-07	NA	NA	NA	NA	-	-	NA	NA	NA
2007-08	NA	NA	NA	NA	-	-	NA	NA	NA
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA
2011-12	2,225	39	184	2,002	-	-	100	100	20.02 (1)
2012-13	2,354	41	195	2,118	-	-	109	109	19.43

Stockton Boulevard

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ 1,497	$ 14	$ 207	$ 1,276	$ -	-	$ NA	$ NA	NA
2005-06	2,293	19	169	2,105	-	-	NA	NA	NA
2006-07	2,557	19	338	2,200	115	19.16	NA	NA	NA
2007-08	2,930	31	350	2,548	115	22.20	NA	NA	NA
2008-09	2,849	33	957	1,860	208	8.92	NA	NA	NA
2009-10	1,957	22	405	1,529	187	8.19	NA	NA	NA
2010-11	1,611	26	317	1,268	191	6.63	NA	NA	NA
2011-12	1,496	26	387	1,083	180	6.02	250	430	2.52 (1)
2012-13	1,369	24	329	1,016	191	5.32	261	452	2.25

Notes:

NA) Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

(1) Revised to include 2008 B of A Public Capital Corp Debt.

Source: County of Sacramento, Office of Auditor/Controller

City of Sacramento
Successor Agency Trust Fund
Debt Coverage Analysis
Last Nine Fiscal Years
(in thousands)

Army Depot

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ NA	$ NA	$ NA	$ NA	$ -	-	$ NA	$ NA	NA
2005-06	NA	NA	NA	NA	-	-	NA	NA	NA
2006-07	NA	NA	NA	NA	-	-	NA	NA	NA
2007-08	NA	NA	NA	NA	-	-	NA	NA	NA
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA
2011-12	2,617	44	523	2,050	-	-	737	737	2.78 (1)
2012-13	2,342	43	452	1,847	-	-	748	748	2.47

65th Street

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ NA	$ NA	$ NA	$ NA	$ -	-	$ NA	$ NA	NA
2005-06	NA	NA	NA	NA	-	-	NA	NA	NA
2006-07	NA	NA	NA	NA	-	-	NA	NA	NA
2007-08	NA	NA	NA	NA	-	-	NA	NA	NA
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA
2011-12	1,035	17	207	811	-	-	524	524	1.55 (1)
2012-13	923	16	181	726	-	-	523	523	1.39

Notes:

NA) Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

(1) Revised to include 2008 B of A Public Capital Corp Debt.

Source: County of Sacramento, Office of Auditor/Controller

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City of Sacramento
Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30,									
Function/Program	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Citywide and Community Support	-	-	-	-	-	-	-	-	-	23
Code Enforcement	-	-	82	94	92	107	90	-	-	-
Community Development	-	-	-	-	-	-	107	170	166	159
Convention, Culture & Leisure	263	204	204	208	213	214	206	196	194	133
Development Services	190	252	259	243	246	222	-	-	-	-
Economic Development	17	-	17	17	24	27	22	18	14	11
Fire	588	609	623	651	651	655	582	611	589	527
General Government	390	393	374	408	419	400	329	319	312	305
General Services	754	457	260	264	287	307	257	247	225	368
Neighborhood Services	243	86	16	16	15	15	9	-	-	-
Parks and Recreation	677	841	896	930	925	872	680	648	579	553
Planning	-	-	-	38	33	34	-	-	-	-
Police	1,116	1,189	1,207	1,265	1,272	1,271	1,091	1,060	900	847
Public Works	-	-	-	-	-	-	-	-	-	395
Transportation	-	333	340	350	356	437	424	409	409	-
Utilities	492	497	727	732	741	741	752	698	698	505
Total	4,729	4,860	5,003	5,213	5,273	5,300	4,549	4,374	4,083	3,825

Source: City of Sacramento Approved Operating Budgets

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City of Sacramento
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/program	Fiscal Year 2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Adult arrests	23,046	25,623	27,314	24,703	22,783	21,230	20,555	19,885	17,058	18,650
Citizen initiated calls for service with officer responses	269,815	194,969	187,731	181,793	181,873	173,045	176,157	166,207	154,193	154,233
Fire (1)										
Number of incidents	43,108	63,242	65,714	66,284	70,609	64,525	59,608 (2)	71,111	73,343	74,427
Number of structure fires	3,915	835	1,189	500	414	401	359 (2)	606	652	680
Number of construction inspection/reviews	4,596	5,181	NA	NA	NA	NA	2,790	NA	1,895	4,568 (12)
General Services										
Number of animal licenses issued	8,256	9,446	12,815	14,944	18,812	18,732	17,094	17,132	17,318	15,810 (13)
Number of animal outplacements	2,852	4,267	4,323	4,352	4,252	4,025	3,300	2,901	3,750	5,521 (14)
Public Works										
Number of traffic investigations completed	1,114	927	922	1,123	1,019	1,028	903	712 (4)	717	821
Number of parking citations issued	211,128	199,428	201,196	194,193	233,901	236,103	240,248	184,215 (5)	164,492	165,700
Convention, Culture & Leisure										
Number of Community Convention Center events	591	607	600	664	568	528	453	417	389	378
Community Convention Center event attendance	981,766	929,425	833,428	849,000	863,759	862,000	780,000	873,577	796,000	645,000 (15)
Number of Zoo attendance	480,000	485,000	485,000	529,734	482,072	467,446	481,452	498,518	526,959	508,061
Parks and Recreation										
Number of students enrolled in START	8,000	7,149	7,913	8,845	8,364	8,695	8,563	7,437	5,755 (7)	5,330
Number of students enrolled in 4th R (9)	2,510	2,695	2,885	3,000	3,500	2,675	2,600	2,142	1,899	1,949
Number of lunches served through food programs	210,000	195,000	192,500	160,900	156,916	197,020	120,726 (3)	133,687	42,848 (8)	- (16)
Community Development (20)										
Number of building permits issued	18,089	17,869	18,261	16,930	14,349	13,182	11,786	11,474	11,545	12,146
Building permit valuation (in million of dollars)	1,001	883	817	1,005	862	557	543	387	281	391
Vehicles abated by City	4,814	4,660	3,747	2,572	1,538	898	694	429	254 (10)	282
Notice and orders issued on housing and dangerous buildings	278	279	293	445	378	360	305	250	188 (11)	253
Water										
Number of accounts	131,745	136,347	151,459	151,459	135,665	137,029	136,600	136,812	137,148	135,353
Amount distributed/pumped (million of gallons)	46,852	44,177	45,180	49,463	NA	42,726	38,453	37,393	38,692	40,034
Wastewater										
Number of accounts	78,177	78,596	78,541	79,620	76,253	76,802	76,385	76,394	76,477	76,484
Amount distributed/pumped (million of gallons)	16,339	18,054	19,185	19,185	NA	15,889	14,302	NA	10,695	6,805 (17)
Storm Drainage										
Number of accounts	127,216	130,426	128,427	132,376	131,801	132,727	132,556	133,188	133,814	134,651
Amount distributed/pumped (million of gallons)	30,506	41,608	53,444	53,444	NA	27,936	27,288	NA	28,445	17,602 (18)
Solid Waste										
Residential garbage disposed (in Tons)	129,838	129,499	127,120	128,802	128,060	104,542	112,203	110,103	106,085	109,141
Commercial garbage collected (in Tons)	20,390	23,159	22,469	NA	24,804	18,937	17,688	12,918 (6)	12,251	1,222 (19)

Notes: (1) The threshold for investigation of a fire was raised from $10,000 or $30,000 in fiscal year 2005.
(2) Due to a system problem in October 2009, only 11 months of data are available.
(3) In FY10, the decrease in number of lunches served through food programs was due to decrease in number of sites in operation from 112 to 43. The sites were scaled back to better manage the program and reduce waste.
(4) In FY11, the reason for the significant drop in the number of traffic investigations completed was due to the decrease in calls from the General Public. In addition, FY11 onwards, Maintenance Calls were excluded.
(5) In FY11, the reasons for the significant drop in the number of citations writtens were due to a) the depressed economy; (b) there were 4 fewer parking enforcement officers; and c) the staff were furloughed.
(6) In FY11, the reason for the significant drop in the commercial garbage collected was primarily due to loss of two major accounts, i.e. Sacramento City Unified School District to Atlas Disposal and California State University, Sacramento to Allied Waste.
(7) In FY12, the number of school sites the City of Sacramento served under START program were reduced from 57 to 46, thus reducing the total number of students enrolled.
(8) In FY12, the number of lunches served through food programs decreased significantly because the federal grant for this program ended in September 2011.
(9) The number of students enrolled in 4th R program has been declining since FY09 due to substantial decline in the subsidy-side of enrollees. Due to the recession many parents/guardians lost their employment and were not pursuing post secondary education/skill training which make them ineligible to receive these subsidies because the requirement for eligibility is either employment or post secondary education/skill training. In addition, there was also some decline in fee based enrollment.
(10) In FY12, the number of vehicles abated by City decreased significantly due to the slow economic conditions which led to people holding onto their vehicles longer as well as turning in vehicles for the cost of parts or scrap metal.
(11) In FY12, the number of complaints for housing and dangerous buildings declined largely due to proactive inspections performed under the City's Rental Housing Inspection Program which led to decrease in notice and orders issued on housing and dangerous buildings.
(12) Fire Prevention has been working deligently to improve the way they track inspection data. Therefore, current year data is more accurate than prior years data.
(13) In FY13, the number of animal licenses issued declined largely due to economic down turn as pet owners make tough choices licensing suffered.
(14) Partnership with outside agencies in California and other states resulted in an increase in the number of animal outplacements in FY13.
(15) In FY13, the number of entertainment events at Memorial Auditorium declined largely due to a major stage extension maintenance/replacement project that limited its use for approximately four months, no sold-out and extended-run performances. FY12 included sold out extended run performances of Wicked.
(16) In FY13, the summer food program is terminated.
(17) The reduction in flows have occurred due to water conservation efforts and reduced system infiltration caused by the below normal rainfall influence on the water table. There was less rainfall in FY13 than in FY12.
(18) Amount of storm drain pumped/distributed is dependent on rainfall. There was less rainfall in FY13 than in FY12.
(19) Solid Waste commercial garbage collection is discontinued in October 2012.
(20) Prior to FY13, reported as Development and Code Enforcement Departments.

Source: Various City of Sacramento Departments

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City of Sacramento
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/program	Fiscal Year 2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Number of stations [1]	2	2	2	2	4	4	4	4	4	4
Number of patrol units [2]	239	238	229	210	210	210	242	242	242	263
Number of aircraft	NA	NA	NA	NA	NA	3	3	3	4	4
Number of watercraft	NA	NA	NA	NA	NA	2	2	2	3	3
Fire										
Number of stations	22	23	23	23	23	23	23	23	24	24
Number of fire suppression, support or prevention vehicles	150	167	169	170	151	150	160	160	159	159
Public Works										
Miles of streets	2,936	2,960	3,025	3,034	3,045	3,044	3,063	3,108	3,108	3,065
Number of street lights	36,852	38,450	39,277	39,964	40,578	41,131	41,252	41,301	41,679	41,788
Number of City parking spaces [3]	8,580	8,488	8,518	8,795	8,798	8,484	8,484	8,484	8,484	8,484
Miles of off-street bikeways	53	58	62	67	76	78	78	82	82	83
Parks and recreation										
Number of parks	196	204	205	205	206	208	212	213	213	222
Park acreage [4]	3,627	3,122	3,124	3,125	3,126	3,167	3,171	3,171	3,150 [10]	3,161 [11]
Number of community centers [5]	17	17	17	17	16	13	13	13	13	13
Number of swimming pools (including wading pools)	23	23	23	23	23	26	26	26	26	26
Water										
Miles of water mains and distribution lines [6] [7]	1,467	1,708	1,873	1,873	1,859	1,720	1,724	1,596	1,599	1,599
Sewers and storm drainage										
Miles of sanitary sewers and storm drainage [8]	2,103	2,081	2,081	2,024	1,859	1,693	1,950	1,954	1,951	1,951
Off-street parking										
Number of City garages and open parking lots	12	11	11	12	12	10	10	10	10	10
Golf										
Number of golf courses	6	6	6	6	6	6	6	6	6	6
Marina										
Number of boat harbor slips	563	563	563	547	475 [9]	475	475	475	475	475

Notes:
(1) From FY2008 onwards, police stations refer to stations plus police headquarters.
(2) From FY2010 onwards, patrol units include cars and motorcycles.
(3) From FY2009 onwards, City parking spaces is defined as only those which are City-owned.
(4) Golf course acreage is not included from FY2005 onwards.
(5) Does not include neighborhood centers.
(6) Water mains are pipes over 12" in size. Pipes 12" or less are considered Distribution Lines. Reporting categories have been changed to show this distinction FY2011 onwards. In addition, FY2011 onwards, Service Mains and Hydrant Mains are excluded.
(7) From FY2009 onwards, does not include miles for private mains and mains owned by other agencies.
(8) Non-pipe elements may have been included in years prior to FY2009.
(9) In FY2008, the marina boat slips were made larger thereby decreasing their total number.
(10) In FY2012, the City conveyed 22.79 acreas to a developer from Granite Regional Park, pursuant to a development agreement, and acquired two parcel adding 1.73 acres to the Sacramento River Parkway.
(11) In FY2013, the City added 10.78 acres in 6 parks (all in the River District in the Central City). Bercut Richards Plaza (0.12 ac.); Cannery Plaza parksite (0.19 ac.); Persimmon Paseo (0.21 ac.); Victory Promenade (0.49 ac.); 7th Street Promenade (1.0 ac.); and Township 9 Park (8.77 ac.).

Source: Various City of Sacramento Departments

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City of Sacramento
Miscellaneous Statistics
Current Fiscal Year and Nine Years Ago

Date of incorporation	1849
Date of charter	1921
Date City became State Capitol	1854
Form of government	Council/Manager

	2013	2004
Number of budgeted positions	3,825	4,233
Area in square miles	99	99
Altitude in feet	20	20
City of Sacramento facilities and services:		
Police		
Number of stations	4	2
Number of police personnel sworn / civilian (actual)	641/236	714/402
Number of patrol units	263	239
Fire		
Number of stations	24	22
Number of fire personnel sworn / unsworn	571/42	538/50
Number of fire protection vehicles	88	150
Utilities		
Miles of water mains and distribution lines (1)	1,599	1,467
Annual water production in gallons	40 billion	47 billion
Miles of sanitary sewers and storm drainage (2)	1,951	2,103
Transportation		
Miles of streets	3,065	2,936
Number of street lights	41,788	36,852
Number of City managed parking lots / spaces	21/10,468	12/8,580
Miles of off-street bikeways	83	53
Convention, Culture and Leisure		
Golf courses	6	6
Boat harbor slips (3)	475	547
Zoo animals (4)	567	542
Fairytale town attendance for year	227,286	214,477
Crocker Art Gallery attendance for year	286,573	122,594
Community Convention Center attendance for year	645,000	981,766
Parks and Recreation		
Parks	222	196
Park acreage (5)	3,171	3,627
Camp Sacramento attendance for year	2,637	2,955
Community centers	13	13
Neighborhood centers	5	N/A
Swimming pools	26	30
Baseball fields (6)	98	84
Soccer fields	130	75
Ball courts	180	118
Library		
Library branches	12	26 (7)
Library books and audiovisual recordings in circulation	2,192,151	1,810,043

Notes: (1) Water mains are pipes over 12" in size. Pipes 12" or less are considered Distribution Lines. Reporting categories have been changed to show this distinction FY2011 onwards. In addition, FY2011 onwards, Service Mains and Hydrant Mains are excluded.

(2) Non-pipe elements may have been included in years prior to FY2009.

(3) In FY2008, the marina boat slips were made larger thereby decreasing their total number.

(4) Zoo animals number is comprised of animals on-site (either owned by zoo or owned by other entity).

(5) Golf course acreage is not included from FY 2005 onwards.

(6) This includes softball, little league and adult baseball from FY2011 onwards.

(7) This includes all library branches in the Sacramento public library system.

Source: Various City of Sacramento departments and publications

KEVIN JOHNSON
Mayor

ANGELIQUE ASHBY
Vice Mayor, District 1

ALLEN WARREN
Councilmember, District 2

STEVE COHN
Councilmember, District 3

STEVE HANSEN
Councilmember, District 4

JAY SCHENIRER
Councilmember, District 5

KEVIN MCCARTY
Councilmember, District 6

DARRELL FONG
Councilmember, District 7

BONNIE J. PANNELL
Councilmember, District 8

CITY OF SACRAMENTO FACTS

- The City of Sacramento was founded in 1849 and is the oldest incorporated city in California.
- In 1920, city voters adopted a Charter (municipal constitution) and a City Council/City Manager form of government.
- The City is divided into eight districts.
- Elected members of the City Council serve a four-year term.
- The Mayor is elected by all voters in the City. In 2002, voters approved a measure for the Mayor to serve full-time. All other Councilmembers are elected by district and serve part-time.
- The Mayor and other Councilmembers have an equal vote in all matters.
- The City of Sacramento currently encompasses approximately 99 square miles.
- The current estimated population is 473,509.

www.CityofSacramento.org

Attachment D

Approving the FY2012/13 Allocation of Measure U Resources

DRAFT

RESOLUTION NO. 2013-XXXX

Adopted by the Sacramento City Council

APPROVING THE FY2012/13 ALLOCATION OF MEASURE U RESOURCES

BACKGROUND

A. Voter approval of the Essential Services Protection Measure (Measure U) in November 2012 for the restoration and protection of essential public safety and other essential City services authorized the implementation of an additional one-half cent transaction and use tax effective April 1, 2013, and the establishment of an Oversight Committee.

B. In FY2012/13 Measure U revenues are estimated at approximately $5 million based on existing transaction volume and Board of Equalization sourcing rules. Annual revenues beginning in FY2013/14 are estimated to be $27 million.

C. On February 12, 2013, the City Council adopted principles for the use of Measure U resources (Resolution 2013-0045).

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1 The Director of Finance is authorized to amend the FY2012/13 Approved Budget to include the following Measure U allocations for the restoration of programs and services:

Measure U Restorations for FY2012/13	FTE*	Recommended Adjustments
Fire: SAFER Grant Buyback	-	358,000
Fire: January 2013 Brown Out Restoration (*12 firefighters*)	12.00	975,000
Fire: April 2013 Brown Out Restoration (*6 firefighters, 3 engineers, and 3 captains*)	12.00	435,000
Police: Field & Operations *(FY13 recruits & one-time costs)*	-	1,500,000
Parks and Recreation: Aquatics *(funding for 6 pools and 5 wading pools through 6/30/13)*	-	250,000
Parks and Recreation: Aquatics *(funding for Southside, Tahoe, and Glenn Hall pools through 6/30/13 and 1.0 FTE plant operator)*	1.00	124,000
Parks and Recreation: Maintenance and Capital Investment *(fountains, picnic tables, irrigation)*	-	600,000
General Services: Animal Control Officer (*1.0 FTE*)	-	-
Sacramento Public Library Authority: Restoration to Maintenance of Effort	-	506,000
FY2012/13 Expenditures and FTE	**25.00**	**4,748,000**
Measure U Reserve		252,000
FY2012/13 Measure U Revenues		**5,000,000**

**FTE restorations reflect the addition of full-time equivalent (FTE) positions; however, funding has been prorated to reflect anticipated costs in the current fiscal year (FY2012/13).*

RESOLUTION NO. 2013-0081

Adopted by the Sacramento City Council

March 12, 2013

APPROVING THE FY2012/13 ALLOCATION OF MEASURE U RESOURCES

BACKGROUND

A. Voter approval of the Essential Services Protection Measure (Measure U) in November 2012 for the restoration and protection of essential public safety and other essential City services authorized the implementation of an additional one-half cent transaction and use tax effective April 1, 2013, and the establishment of an Oversight Committee.

B. In FY2012/13 Measure U revenues are estimated at approximately $5 million based on existing transaction volume and Board of Equalization sourcing rules. Annual revenues beginning in FY2013/14 are estimated to be $27 million.

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Measure U Restorations for FY2012/13	FTE*	Recommended Adjustments
Fire: SAFER Grant Buyback	-	358,000
Fire: January 2013 Brown Out Restoration *(12 firefighters ($690,000) and recruit academy costs ($285,000 for equipment, recruit salaries and uniforms)*	12.00	975,000
Fire: April 2013 Brown Out Restoration *(6 firefighters, 3 engineers, and 3 captains)*	12.00	435,000
Police: Field & Operations *(FY13 recruits & one-time costs)*	-	1,500,000
Parks and Recreation: Aquatics *(funding for 6 pools and 5 wading pools through 6/30/13)*	-	250,000
Parks and Recreation: Aquatics *(funding for Southside, Tahoe, and Glenn Hall pools through 6/30/13 and 1.0 FTE plant operator)*	1.00	124,000
Parks and Recreation: Aquatics *(funding for half-time operations of Mangan and Oki pools through 6/30/13)*		32,000
Parks and Recreation: Maintenance and Capital Investment *(fountains, picnic tables, irrigation)*	-	600,000
Sacramento Public Library Authority: Restoration to Maintenance of Effort	-	506,000
FY2012/13 Expenditures and FTE	**25.00**	**4,780,000**
Measure U Reserve		220,000
FY2012/13 Measure U Revenues		**5,000,000**

**FTE restorations reflect the addition of full-time equivalent (FTE) positions; however, funding has been prorated to reflect anticipated costs in the current fiscal year (FY2012/13).*

Adopted by the City of Sacramento City Council March 12, 2013 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, Hansen, McCarty, Pannell, Schenirer, and Warren.

Noes: None.

Abstain: None.

Absent: Mayor Johnson

Vice Mayor Angelique Ashby

Attest:

Shirley Concolino, City Clerk